Report of the Comptroller and Auditor General of India on State Public Sector Enterprises for the year ended 31 March 2023

GOVERNMENT OF ASSAM

(Report No. 4 of 2024)

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PREFACE

Preface

This Report of the Comptroller and Auditor General of India (CAG) on Public Sector Enterprises has been prepared for submission to the Governor of the State of Assam under Article 151 of the Constitution of India for being laid on the floor of the State legislature.

The accounts of Government companies are audited by the CAG under the provisions of Section 143 of the Companies Act, 2013. The accounts certified by the Statutory Auditors (Chartered Accountants) appointed by the CAG under the Companies Act, are subject to supplementary audit by the CAG whose comments supplement the reports of the Statutory Auditors. The audit of Statutory corporations is governed by their respective legislations. The CAG is the sole auditor in respect of one Statutory corporation, *namely*, Assam State Transport Corporation and Assam Electricity Regulatory Commission, a regulatory body. In addition, the Government companies/Statutory corporations are also subject to test audit by the CAG.

Reports in relation to the accounts of a Government company or Statutory corporation are submitted to the State Government by CAG for laying before the Legislature of Assam under the provisions of Section 19-A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

The instances mentioned in this Report are those, which came to notice in the course of test audit during April 2022 to March 2023 as well as those which came to notice in the earlier years but could not be reported in the previous Audit Reports. Matters relating to the period after March 2023 have also been included, wherever necessary. The Report has been finalised after considering the response of the State Government/SPSEs concerned, wherever received.

The audit has been conducted in conformity with the Auditing Standards issued by the CAG of India.

OVERVIEW

OVERVIEW

The Report of the Comptroller and Auditor General of India on State Public Sector Enterprises for the year ended 31 March 2023 (Government of Assam) is brought out in three Chapters.

CHAPTER-I includes 'General Purpose Financial Report on State Public Sector Enterprises (SPSEs)' containing four Sections.

CHAPTER-II includes Performance Audit relating to 'Functioning of Assam Electronics Development Corporation Limited'.

CHAPTER-III includes five Compliance Audit Paragraphs on SPSEs emerging from the compliance audit of SPSEs.

The major findings included in the Audit Report are as follows:

Chapter-I: General Purpose Financial Report on State Public Sector Enterprises

Section 1: Financial performance of State Public Sector Enterprises

As on 31 March 2023, there were 52 SPSEs and one State Electricity Regulatory Commission under the audit jurisdiction of CAG in Assam. These SPSEs include 49 Government Companies (including 16 non-working) and 3 Statutory Corporations (all working). As per the latest finalised accounts of working SPSEs as on 30 September 2023, the turnover of 36 working SPSEs stood at ₹ 9,315.98 crore.

(Paragraphs 1.1.4 and 1.1.5)

As on 31 March 2023, the total investment (equity and long-term loans) in 52 SPSEs was ₹ 14,344.74 crore. The investment was 80.02 *per cent* in equity and 19.98 *per cent* in long-term loans. Out of total investment of ₹ 14,344.74 crore, the investment by Government of Assam (GoA) was ₹ 11,866.86 crore, which consisted of ₹ 10,740.51 crore towards equity and ₹ 1,126.35 crore towards long-term loans. During 2020-21 to 2022-23, the total investment of GoA in SPSEs increased by 157.57 *per cent* (₹ 7,259.55 crore) from ₹ 4,607.31 crore (2020-21) to ₹ 11,866.86 crore (2022-23).

(Paragraph 1.1.6)

During 2022-23, GoA provided budgetary support of ₹ 1,966.68 crore to 13 SPSEs (including one Statutory Corporation) in the form of equity (₹ 63.79 crore), long-term loans (₹ 335.24 crore) and grants/subsidy (₹ 1,567.65 crore). Major recipients of budgetary assistance during 2020-21 to 2022-23 were three power sector SPSEs, which received 85.52 *per cent* (₹ 1,429.01 crore), 82.21 *per cent* (₹ 1,444.85 crore) and 71.79 *per cent* (₹ 1,411.94 crore) of total budgetary allocation to SPSEs during 2020-21, 2021-22 and 2022-23 respectively.

(Paragraph 1.1.8)

The working Companies earned overall profits of ₹ 507.14 crore during 2022-23 as against overall profit of ₹ 213.86 crore earned during 2021-22. During 2020-23, the number of profit-making working Companies having direct equity infusion by GoA ranged between 17 and 22, of which only Assam Gas Company Limited paid a dividend of ₹ 15.21 crore to GoA during 2020-2023. Further, nine profit earning working Companies having no accumulated losses did not declare any dividend.

(Paragraphs 1.1.9.1 and 1.1.9.2)

The long-term loans (GoA and Others) of all the SPSEs registered a decrease of ₹ 1,803.39 crore during 2022-23 (₹ 2,190.71 crore) as compared to 2021-22 (₹ 3,994.10 crore). During 2022-23, the major loans were availed by Assam Petro-Chemicals Limited with a total outstanding of ₹ 924.65 crore (42.21 *per cent*) and two power sector Companies, which had total outstanding loans of ₹ 796.16 crore (36.34 *per cent*)

(Paragraph 1.1.10)

The total accumulated losses (net off the free reserves) of all the SPSEs were ₹ 2,387.61 crore (working Companies: ₹ 402.01 crore; non-working Companies: ₹ 281.06 crore; Statutory Corporations: ₹ 1,704.54 crore) as on 31 March 2023. The total accumulated losses of working Companies (₹ 402.01 crore) as on 31 March 2023 have been derived after taking into account the accumulated losses (net off the free reserves) of Assam Power Distribution Company Limited (₹ 896.32 crore), Assam Electricity Grid Corporation Limited (₹ 323.60 crore) and Assam Tea Corporation Limited (₹ 284.03 crore). The major contributor to the accumulated losses of Statutory Corporations (₹ 1,704.54 crore) to the extent of ₹ 1,664.06 crore (97.63 *per cent*) was Assam State Transport Corporation.

(Paragraph 1.1.11.1)

During 2022-23, 31 out of 52 SPSEs (23 working Companies, 2 Statutory Corporations and 6 non-working Companies) had positive capital employed while the remaining 21 SPSEs had negative capital employed. During 2020-21 to 2022-23, the working Companies with positive capital employed registered increase of ₹ 8,611.62 crore (192.44 *per cent*) in their aggregate capital employed from ₹ 4,474.99 crore (2020-21) to ₹ 13,086.61 crore (2022-23). The EBIT of the working Companies also increased by ₹ 493.89 crore (430.11 *per cent*) from ₹ 114.83 crore (2020-21) to ₹ 608.72 crore (2022-23). As a result, the RoCE of working Companies having positive capital employed had shown an overall improvement from 2.57 *per cent* (2020-21) to 4.65 *per cent* (2022-23).

(Paragraph 1.1.11.2)

During 2022-23, 21 out of 52 working SPSEs (18 working Companies, 1 Corporation and 2 non-working Companies) earned profit of ₹ 596.88 crore. Further, 14 working SPSEs (13 Companies and one Corporation) out of said 21 SPSEs which earned profit had positive equity/shareholders' fund. During 2022-23, the Return on Equity (RoE) of these 13 working Companies having positive equity was 5.30 *per cent* as compared to the

RoE of 13.62 *per cent* for 15 working Companies during 2021-22. In case of remaining five working Companies which earned profit during 2022-23, the accumulated losses (₹ 463.39 crore) had completely eroded their paid-up capital (₹ 38.26 crore).

(Paragraph 1.1.11.3)

Analysis of investment and net accumulated losses of 36 working SPSEs revealed that the accumulated losses (net after adjusting free reserves) of 14 working SPSEs (₹ 2,225.08 crore) had completely eroded their paid-up capital (₹ 236.26 crore).

(Paragraph 1.1.12.2)

Section 2: Oversight role of CAG

Out of 52 SPSEs, seven working SPSEs finalised their up-to-date accounts (2022-23). Further, 25 SPSEs (17 working companies, 3 corporations and 5 non-working companies) had 62 accounts in arrears for period of one to five years, while the remaining 20 SPSEs (9 working and 11 non-working) had 348 accounts in arrears for more than five years as on 30 September 2023. GoA invested ₹ 1,976.37 crore in 19 SPSEs during the years for which their accounts were in arrears.

(Paragraphs 1.2.4 and 1.2.5)

During October 2022 to September 2023, 22 SPSEs forwarded 33 accounts to Principal Accountant General (Audit) Assam for review. Of these, 28 accounts (seven accounts for the year 2022-23 and 21 accounts for previous years) of 20 SPSEs were selected for supplementary audit. Non-review certificates were issued for the remaining five accounts (one year accounts for the year 2020-21 and four accounts for the year 2021-22) of four SPSEs.

(Paragraph 1.2.9)

Irregularities and deficiencies in financial reports or in the reporting process observed during supplementary audit which were not material were communicated to management of five SPSEs during 2022-23 through 'Management Letter' separately for taking corrective action.

(Paragraph 1.2.10)

Section 3: Corporate Governance

During 2022-23, out of 32 working companies who had furnished the required information, 22 working companies did not hold the mandatory four meetings of the Board of Directors each year.

(Paragraphs 1.3.4 and 1.3.6.2)

Three out of seven working companies, which were required to have Independent Directors either did not have any Independent Director on their Board or had lesser number of such Directors than the statutory requirement.

(Paragraph 1.3.7.2)

Out of eight companies, which were required to constitute Audit Committee, three companies did not form the Committee, contrary to the requirement of Companies Act, 2013. Further, three companies which were not required to constitute Audit Committee formed the same, indicating a gesture of good Corporate Governance on their part.

(Paragraph 1.3.8.1)

Out of 26 working companies, which had furnished information as regards holding of Annual General Meeting (AGM), four companies had concluded AGM for the current year (2022-23) as their accounts had been finalised up to the financial year 2022-23. Remaining 22 companies with a backlog of accounts had concluded the AGMs for the previous years.

(Paragraph 1.3.9.2)

Section 4: Corporate Social Responsibility

As per latest finalised accounts of 33 working companies, Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) was applicable to eight companies. All the eight working companies covered under the provisions of Section 135 of the Act, constituted the CSR Committee. Regarding composition of CSR Committee, there was shortfall in appointment of 'Independent Directors' in case of one company.

(Paragraphs 1.4.2 and 1.4.3.1)

Out of five working companies which were required to spend on CSR activities, one Company did not incur any expenditure on CSR activities. As such, there was shortfall of ₹ 1.01 crore in mandatory CSR spending by this Company as per its latest finalised accounts.

(Paragraph 1.4.3.2)

Chapter-II: Performance Audit relating to SPSEs

Functioning of Assam Electronics Development Corporation Limited

The Performance Audit (PA) covered the period from 2017-18 to 2022-23. During the audit period, the Company carried out three commercial activities on its own, *viz.*, printing of Driving Licence/Registration Certificates (DL/RC), providing internet services and Education/Training business, for generation of revenue. The Company was also implementing/operated four projects entrusted by GoA *viz.* e-District, Assam State Wide Area Network, State Data Centre and Tech City. The PA covered all three commercial activities of the Company and also implementation, operation and maintenance of the above mentioned four projects entrusted by GoA. Brief details of the important audit observations have been given here:

The Company did not have any short and long-term strategic plan to develop its business operation to derive advantage of changing business scenario considering

GoA's IT policy. It also did not have laid down strategies to reduce cost, operational losses and risks of losing current and new business and to give new direction for long term sustainability.

(Paragraph 2.7)

During 2017-18 to 2022-23, the Company earned ₹ 37.64 crore as profit from printing of DL/RC while it suffered loss of ₹ 2.01 crore from two other commercial activities (internet services, training and education business). The Company, thus, made an overall profit of ₹ 35.63 crore from commercial activities during 2017-2023. The Company, however, lost the profitable business of printing DL/RC in the tender invited (March 2022) by GoA, due to its high quote compared to the L[1] bidder and lack of aggressive tendering policy.

(Paragraphs 2.8 and 2.8.1)

The Company neither fixed target date nor tied up source of funding for completion of Tech City project. As a result, the Company not only incurred extra liability of ₹ 2.81 crore towards penal interest, but also led to blockage of ₹ 175.57 crore already invested, without achieving the objective of the project even after more than five years.

(Paragraphs 2.9.1 and 2.9.1.1)

Under State Data Centre (SDC) project, instances of under-utilisation of capacity, absence of dual power supply to server room, hosting of critical Government websites and applications outside SDC and compromising of data security by engaging private agency were noticed. Thus, the SDC did not act as a central repository of the State data even after two years of its commissioning.

(Paragraph 2.9.2.1)

Under e-District project, the Company failed to ensure timely delivery of e-services to 22.63 lakh (46.49 *per cent*) out of 48.67 lakh applicants due to deactivation of provision for escalation mail, in violation of instructions issued by GoI. Further, the Company could not complete data digitisation work due to lack of strict monitoring to secure cooperation from district authorities in providing essential amenities for work (*viz.* office space, speedy transfer of records/registers, *etc.*).

(Paragraph 2.9.3.2 and 2.9.3.3.)

Against actual expenditure of ₹ 51.43 crore (including agency commission of ₹ 2.45 crore) incurred for operation and maintenance of Assam State Wide Area Network, the Company received ₹ 39.55 crore from GoA. The balance amount of ₹ 11.88 crore was not received as of March 2023.

(Paragraph 2.9.4)

The Company did not have an inbuilt mechanism to deal with E-waste in compliance to E-Waste (Management) Rules, 2016.

(Paragraph 2.10)

The monitoring mechanism in place for implementation/operation of projects, internal audit and preparation of annual accounts was found to be inadequate.

(Paragraph 2.11)

Chapter-III: Compliance Audit Paragraphs relating to SPSEs

Compliance Audit paragraphs included in this Chapter highlight deficiencies in the management of SPSEs. Brief details of the important audit observations have been given here:

DNP Limited

Avoidable Expenditure

The procurement process of a new compressor (February 2021) costing ₹ 30.61 crore was done without ensuring competitive price discovery and was in violation of the rules. Two new compressors also remained underutilised to the extent of 59 *per cent*.

(Paragraph 3.1)

Non-imposition of Penal Interest

The Company suffered loss of ₹ 3.68 crore due to failure to impose penal interest as required under the Gas Transportation Agreement.

(Paragraph 3.2)

Assam State Warehousing Corporation

Unfruitful Investment

Due to weak project management and inadequate monitoring of work, two cold storage projects remained incomplete after 8 years and the expenditure of ₹ 8.98 crore remained unfruitful. The Corporation also lost opportunity of earning potential revenue of ₹ 2.56 crore as rent due to non-completion of two cold storages.

(Paragraph 3.3)

Assam Gas Company Limited

Loss of Interest Income

Failure of the Company to split high value STDs (valuing ₹ 2.08 crore each) into less than ₹ 2 crore denomination at the time of renewal led to loss of ₹ 0.43 crore towards interest income.

(Paragraph 3.4)

Assam State Film (Finance and Development) Corporation Limited

Non-claiming of income tax refund

Failure of the Company to submit income tax returns during 2014-15 to 2021-22 and claim refund of income tax deducted at source, resulted in foregoing of ₹ 0.04 crore against the years 2014-16, for which the condonation period was over, while ₹ 0.31 crore was not claimed against the years 2016-22, for which the condonation period of six years was available.

(Paragraph 3.5)

CHAPTER-I
GENERAL PURPOSE FINANCIAL REPORT
ON
STATE PUBLIC SECTOR ENTERPRISES

CHAPTER-I

GENERAL PURPOSE FINANCIAL REPORT ON STATE PUBLIC SECTOR ENTERPRISES

Section 1: Financial Performance of State Public Sector Enterprises

1.1.1 Introduction

This Report presents the financial performance of Government Companies, Statutory Corporations and Government controlled other Companies in the State of Assam. The term State Public Sector Enterprises (SPSEs) encompasses State Government owned companies set up under the Companies Act, 2013 and Statutory Corporations set up under statutes enacted by the Legislature. A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by Central Government and partly by one or more State Governments and includes a company, which is a subsidiary of a Government Company. Besides this, any other company owned or controlled, directly or indirectly, by Central Government, or by any State Government or Governments, or partly by Central Government and partly by one or more State Governments are referred to in this Report as 'Government controlled other companies'.

1.1.2 Mandate

Audit of 'Government companies' and 'Government controlled other companies' is conducted by Comptroller and Auditor General of India (CAG) under the provisions of Sections 143(5) to 143(7) of Companies Act, 2013 read with Section 19 of CAG's (Duties, Powers and Conditions of Service) Act, 1971 and Regulations made thereunder. Under Companies Act, 2013, the CAG appoints Chartered Accountants (CAs) as Statutory Auditors for 'Government/Government controlled other companies' and gives directions in the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit. The statutes governing some Statutory Corporations and Regulatory Authorities require their accounts to be audited only by CAG. ***Table 1.1.1*** shows the audit arrangement in respect of Statutory Corporations and Regulatory Commission.

Table 1.1.1: Details of Statutory Corporations and Regulatory Authority

Sl. No.	Corporation/Regulatory Authority	Authority for audit by CAG	Audit arrangement
1	Assam State Transport Corporation	Section 33(2) of Road Transport Corporations Act, 1950	Sole audit by CAG under Section 19(2) of DPC Act, 1971
2	Assam Financial Corporation	Section 37(6) of State Financial Corporations Act, 1951	Audit conducted by CA and supplementary audit by CAG under Section 19(2) of DPC Act, 1971

Sl. No.	Corporation/Regulatory Authority	Authority for audit by CAG	Audit arrangement
3	Assam State Warehousing Corporation	Section 31(8) of State Warehousing Corporations Act, 1962	Audit conducted by CA and supplementary audit by CAG under Section 19(2) of DPC Act, 1971
4	Assam Electricity Regulatory Commission[1]	Section 104(2) of Electricity Act, 2003	Sole audit by CAG under Section 19(2) of DPC Act, 1971

1.1.3 What this Report contains

This Report gives an overall picture of the financial performance of State Government Companies and Corporations as revealed from their financial statements. Significant comments issued as a result of supplementary audit of financial statements of the SPSEs conducted by CAG during 2022-23 (or of earlier years which were finalised during the current year) are also included in this Report. This Report also contains the impact of comments issued by CAG on financial statements of Statutory Corporations where CAG is the sole auditor. Besides this, it gives an overall picture of the status of the adherence of SPSEs to the guidelines issued by Department of Public Enterprises, Government of Assam and compliance with provisions of Companies Act, 2013 on Corporate Governance and Corporate Social Responsibility.

1.1.4 Number of SPSEs

As on 31 March 2023, there were 52[2] SPSEs and one State Electricity Regulatory Commission under the audit jurisdiction of CAG in Assam. These SPSEs include 49 Government Companies (including 10[3] subsidiaries of different State Government Companies and two[4] Government-controlled other companies) and three Statutory Corporations. Out of 52 SPSEs, there were 36 working SPSEs and 16 non-working SPSEs (all Government Companies). None of these Government Companies was listed on the Stock Exchange. ***Table 1.1.2*** shows the summary of working and non-working SPSEs.

Table 1.1.2: Details of working and non-working SPSEs

Type of SPSEs	Working SPSEs	Non-working SPSEs[5]	Total
Government Companies	33	16	49
Statutory Corporations	03	-	03
Total	**36**	**16**	**52**

1.1.5 Contribution to State Economy

SPSEs play an important role in the economy of the State. Apart from providing critical infrastructure required for development of the State economy, the sector also

[1] Assam Electricity Regulatory Commission (Commission) had finalised its accounts upto 2017-18, the Separate Audit Report for which was issued (May 2020). The accounts of the Commission for the subsequent four years (2018-19 to 2021-22) were pending finalisation as on 30 September 2022.

[2] During 2022-23, one Government Company (Assam Medical Services Corporation Limited) had been included under the audit purview of CAG.

[3] SPSEs at Sl. No. B25, B26, B32, D7, D9, D11, D12, D13, D15 and D16 of ***Appendix 3***.

[4] SPSEs at Sl. No. B22 and B33 of ***Appendix 3***.

[5] Non-working SPSEs are those which had ceased to carry on their operations.

contributes to the growth of Gross State Domestic Product (GSDP). A ratio of SPSEs' Turnover to GSDP shows the extent of SPSEs' activities in the State economy. ***Table 1.1.3*** provides the details of turnover of working SPSEs against GSDP during 2020-21 to 2022-23.

Table 1.1.3: Details of working SPSEs' turnover *vis-à-vis* GSDP

(₹ in crore)

Particulars	2020-21	2021-22	2022-23
Working Companies	7,372.48	7,445.32	9,224.69
Statutory Corporations	99.51	111.04	91.29
Total Turnover[6]	**7,471.99**	**7,556.36**	**9,315.98**
GSDP	**3,53,605.42**	**4,12,611.87**	**4,93,166.60**
Percentage of Turnover to GSDP of Assam			
Working Companies	2.08	1.80	1.87
Statutory Corporations	0.03	0.03	0.02
Percentage of Turnover to GSDP	**2.11**	**1.83**	**1.89**

Source: Latest finalised accounts of SPSEs and information provided by the Directorate of Economic & Statistics, GoA; Figure of GSDP relating to 2022-23 is at current prices.

As can be noticed from ***Table 1.1.3***, the turnover of working Companies had shown a gradual increase from ₹ 7,372.48 crore (2020-21) to ₹ 9,224.69 crore (2022-23), while the turnover of Statutory Corporations declined from ₹ 99.51 crore (2020-21) to ₹ 91.29 crore (2022-23). The pace of increase in the overall turnover of working Companies as well as Statutory Corporations during 2020-2023 (24.68 *per cent*) was not commensurate with the overall growth in GSDP of 39.47 *per cent* during the corresponding period, which led to decrease in contribution of turnover to GSDP from 2.11 *per cent* (2020-21) to 1.89 *per cent* (2022-23).

The major contributors to working Companies turnover during 2022-23 were three power sector Companies *viz.*, Assam Power Distribution Company Limited (₹ 6,436.34 crore), Assam Power Generation Corporation Limited (₹ 1,111.08 crore) and Assam Electricity Grid Corporation Limited (₹ 442.26 crore). Further, Assam Gas Company Limited (₹ 655.66 crore) and Assam Petro-Chemicals Limited (₹ 104.06 crore) contributed substantially to the overall turnover.

As regards Statutory Corporations, the major contributor to turnover during 2022-23 was Assam State Transport Corporation, which had contributed ₹ 70.45 crore to the overall turnover. The SPSEs had employed 37,081 employees as at the end of 31 March 2023 (***Appendix 2 and 3***).

1.1.6 Investment in SPSEs

Table 1.1.4 depicts the total investment (GoA and Others) in SPSEs as on 31 March 2023.

[6] As per the latest finalised accounts of working SPSEs as on 30th September of respective years.

Table 1.1.4: Details of total investment[7] in SPSEs

(₹ in crore)

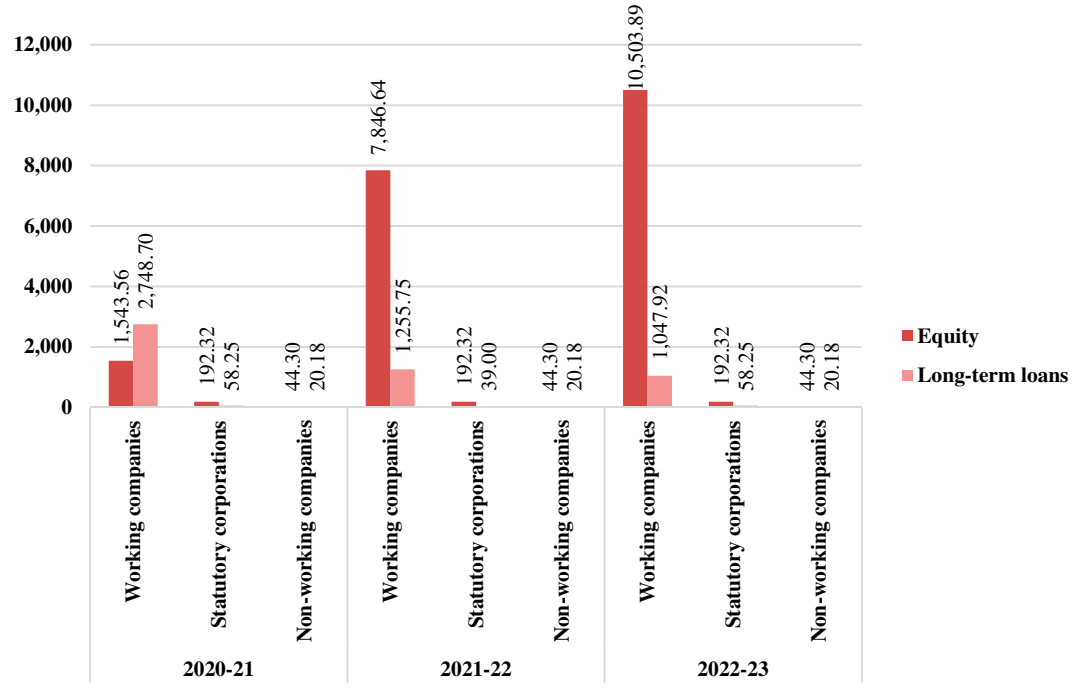
Particulars	GoA			Others			Total
	Working Companies	Statutory Corporations	Non-working Companies	Working Companies	Statutory Corporations	Non-working Companies	
Equity	10,503.89	192.32	44.30	690.59	21.28	26.16	11,478.54
Long-term loans	1,047.92	58.25	20.18	1,730.14	8.23	1.48	2,866.20
Total investment	**11,551.81**	**250.57**	**64.48**	**2,420.73**	**29.51**	**27.64**	**14,344.74**

Source: As per information furnished by the SPSEs; 'Others' include Central Government, banks and other financial institutions

As can be seen from ***Table 1.1.4***, the total investment (equity and long-term loans) in 52 SPSEs was ₹ 14,344.74 crore as on 31 March 2023 (***Appendix 2***). The investment was 80.02 *per cent* in equity and 19.98 *per cent* in long-term loans. Further, the GoA's share was 82.73 *per cent* (₹ 11,866.86 crore) of total investment (₹ 14,344.74 crore) in SPSEs consisting of 90.51 *per cent* (₹ 10,740.51 crore) towards equity and 9.49 *per cent* (₹ 1,126.35 crore) in long-term loan.

Chart 1.1.1 depicts the comparative details of investment by GoA in SPSEs during 2020-21 to 2022-23.

Chart 1.1.1: Total Investment of GoA in SPSEs



As can be noticed from ***Chart 1.1.1***, the total investment of GoA in SPSEs registered a net overall increase of 157.57 *per cent* (₹ 7,259.55 crore) from ₹ 4,607.31 crore (2020-21) to ₹ 11,866.86 crore (2022-23), comprising increase of ₹ 8,960.33 crore

[7] Investment figures are provisional and as provided by the SPSEs except for seven SPSEs (Sl. No. A1, A2, B22, B24, B31, B32 and B33 of ***Appendix 2),*** which finalised their accounts for 2022-23.

(503.34 *per cent*) in equity investment and decrease of ₹ 1,700.78 crore (60.16 *per cent*) in GoA loans to SPSEs.

The increase in equity investment by GoA in working Companies during 2022-23 was mainly attributable to conversion of grant/loan (₹ 2,593.46 crore[8]) of Assam Electricity Grid Corporation Limited into equity as well as infusion of equity capital of ₹ 55.25 crore in Assam Petro-Chemicals Limited during 2022-23. As a result of conversion of loans into equity, there was net reduction of ₹ 488.74 crore[9] in GoA loans of power sector Companies from ₹ 611.96 crore (2021-22) to ₹ 123.22 crore (2022-23).

1.1.7 Reconciliation with Finance Accounts of GoA

The figures in respect of equity and long-term loans extended by GoA should agree with figures appearing in Finance Accounts of the State. In case figures do not agree, the SPSEs concerned and Finance Department were required to carry out reconciliation of differences in figures. The position in this regard as on 31 March 2023 is summarised in ***Table 1.1.5***.

Table 1.1.5: Equity and loans outstanding as per the State Finance Accounts *vis-à-vis* records of SPSEs

(₹ in crore)

Particulars	Amount as per Finance Accounts of GoA	Amount as per records of SPSEs	Difference
Equity	5,473.27	10,740.51	5267.24
Long-term loans	2,921.43	1,126.35	1,795.08

Source: State Finance Accounts, 2022-23 and information furnished by the SPSEs

As can be seen from ***Table 1.1.5***, there were significant unreconciled differences in the figures of equity (₹ 5,267.24 crore) and long-term loans (₹ 1,795.08 crore) as per the two sets of records. The difference in equity figures was mainly because of non-reflection of GoA's investment towards equity of 13[10] out of 41 SPSEs[11] in the Finance Accounts, where GoA had infused funds in the form of equity. Analysis of reasons for difference in loan figures was, however, not possible as the Finance Accounts did not provide SPSE-wise details of the loans provided by GoA.

The concerned departments of GoA and the SPSEs should take concrete steps to reconcile the differences in the investment figures (equity and long-term loans) of the GoA as appearing in the State Finance Accounts vis-à-vis SPSE records in a time-bound manner.

To reconcile the equity differences, GoA should obtain share certificates from the SPSEs concerned issued in favour of GoA and reconcile the differences with Finance

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8 Capital grants: ₹ 1,955.05 crore and loans: ₹ 638.41 crore.

9 Assam Electricity Grid Corporation Limited converted GoA loans as on 31 March 2021 to equity: ₹ 542.73 crore (Total loans converted: ₹ 638.41 crore *less* ADB loans: ₹ 95.68 crore) *less* infusion of new loans to the three power sector SPSEs during 2022-23: ₹ 53.99 crore.

10 SPSEs at Sl. No. A1, A2, A3, B6, B9, B12, B20, B21, B24, B28, D2, D3 and D5 of ***Appendix 2.***

11 Excluding 11 SPSEs (Sl. No. B25, B26, B32, B33, D7, D9, D11, D12, D13, D15 and D16 of ***Appendix 2***), which had no direct equity investment by the State Government.

Accounts. Regarding loan figures, GoA needs to compile/include SPSE-wise loan figures in State Finance Accounts and reconcile differences by obtaining balance confirmation certificates from the SPSEs concerned.

1.1.8 Budgetary outgo of GoA

GoA provided financial support to SPSEs in various forms through the annual State budget. ***Table 1.1.6*** provides the details of year-wise budgetary outgo towards equity, loans and grants/subsidies in respect of the working SPSEs[12] during 2020-21 to 2022-23.

Table 1.1.6: Year-wise budgetary support by GoA to SPSEs

(₹ in crore)

Nature of SPSEs	2020-21		2021-22		2022-23	
	No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
Working Companies						
Equity capital outgo from Budget	-	-	1	40.00	2	63.79[13]
Loans given from budget	4	64.43	5	87.17	4	335.24
Grants[14]/subsidies from budget	10	1,452.89	11	1,514.70	9	1,466.86
Total Outgo[15] (A)	**11**	**1,517.32**	**13**	**1,641.87**	**12**	**1,865.89**
Statutory Corporations						
Grants/subsidies from budget	1	153.57	1	115.65	1	100.79
Total outgo (B)	**1**	**153.57**	**1**	**115.65**	**1**	**100.79**
Grand total outgo (A) + (B)	**12**	**1,670.89**	**14**	**1,757.52**	**13**	**1,966.68**
Working Companies						
Waiver of interest	-	-	3	929.88	-	-
Conversion of loans to Equity	-	-	2	1,578.90	1	638.41
Conversion of Capital grants to Equity	-	-	2	4,684.18	1	1,955.05

Source: Information furnished by the SPSEs

Chart 1.1.2 provides the details regarding budgetary outgo towards equity, loans and grants/subsidies during 2020-21 to 2022-23.

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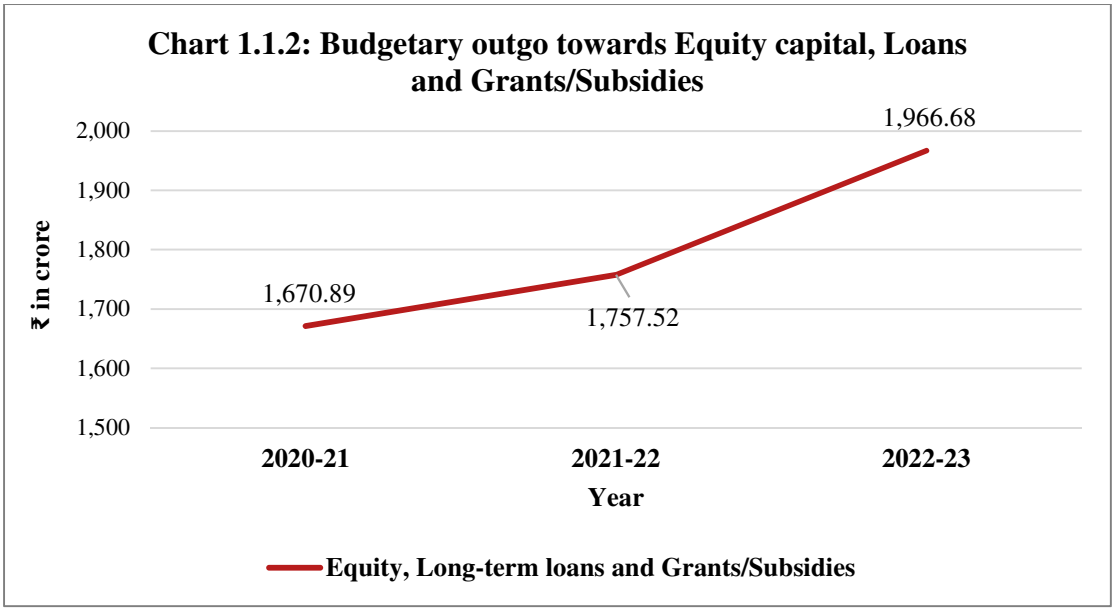
12 None of the non-working SPSEs received any budgetary support from GoA during 2020-21 to 2022-23.

13 This includes Paid-up capital (₹ 8.54 crore) of Assam Medical Services Corporation Limited which furnished its first accounts during 2022-23.

14 Includes Capital and Revenue grants.

15 Actual number of SPSEs which received equity, loans, grants/subsidies from GoA



As can be seen from ***Chart 1.1.2***, the budgetary outgo (equity, loans and grants/subsidies) was at the highest during 2022-23 (₹ 1,966.68 crore) as compared to the previous two years. Major recipients of budgetary assistance during 2020-21 to 2022-23 were three power sector Companies, which received 85.52 *per cent* (₹ 1,429.01 crore), 82.21 *per cent* (₹ 1,444.85 crore) and 71.79 *per cent* (₹ 1,411.94 crore) of budgetary allocation to SPSEs during 2020-21, 2021-22 and 2022-23 respectively. Further, 67.02 *per cent* (₹ 910.15 crore) of grants/subsidy released by GoA (₹ 1,357.95 crore) to power sector Companies during 2022-23 was provided to one power sector Company (Assam Power Distribution Company Limited) towards capital grants (₹ 211.05 crore) and revenue grants/subsidies (₹ 699.10 crore).

Further, during the last three years (2020-23), Assam State Transport Corporation was the only Statutory Corporation, which received budgetary outgo in the form of grants/subsidies aggregating to ₹ 370.01 crore.

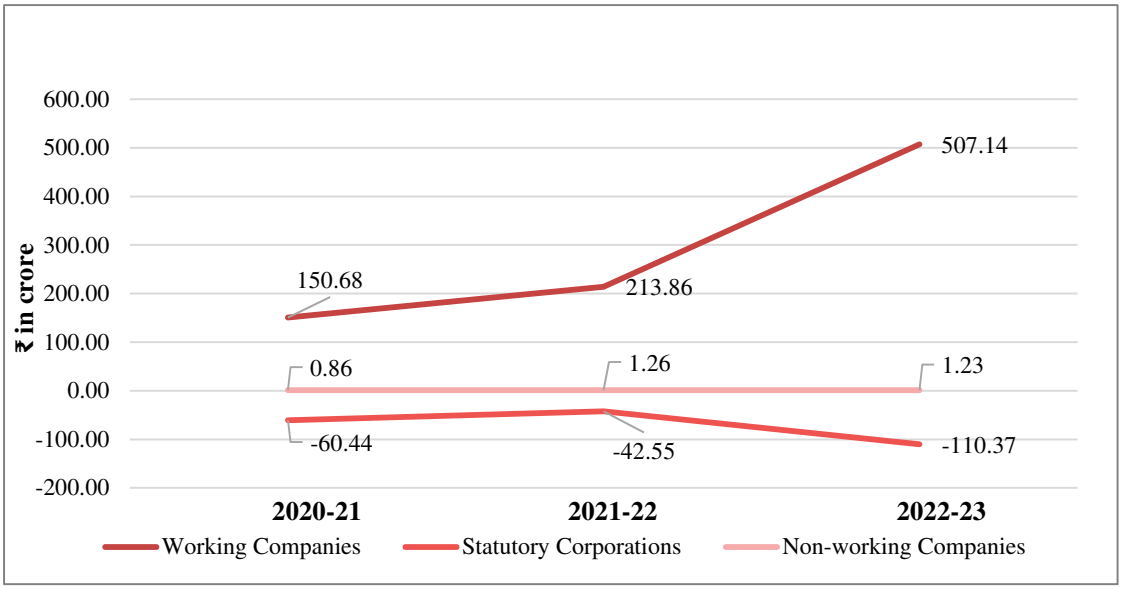
1.1.9 Returns from SPSEs

1.1.9.1 Operational performance of SPSEs

The overall position of profit earned/loss[16] incurred by the 52 SPSEs during 2020-21 to 2022-23 is depicted in ***Chart 1.1.3.***

[16] Figures are as per the latest finalised accounts during the respective years.

Chart 1.1.3: Profit earned/loss incurred by SPSEs



Source: Latest finalised accounts of the SPSEs as on 30 September 2023

As can be seen from ***Chart 1.1.3***, the performance of working Companies improved significantly during 2020-2023. During 2022-23, out of 33 working Companies, 18 Companies earned profit of ₹ 592.04 crore, while 15 Companies incurred loss of ₹ 84.90 crore (***Appendix 3***). The overall increase of ₹ 293.28 crore in profit of working Companies from ₹ 213.86 crore (2021-22) to ₹ 507.14 crore (2022-23) was mainly due to turnaround of Assam Power Distribution Company Limited (APDCL) from loss (₹ 292.42 crore) to profit (₹ 336.35 crore). The turnaround of APDCL was mainly due to increase in sale of energy by ₹ 686.21 crore from ₹ 5,290.33 crore (2021-22) to ₹ 5,976.54 crore (2022-23) and accounting of interest (₹ 227.80 crore) waived (February 2022) by GoA as income in its accounts during the reporting year 2022-23.

As regards Statutory Corporations, the aggregate losses had shown an increase of ₹ 67.82 crore from ₹ 42.55 crore (2021-22) to ₹ 110.37 crore (2022-23), which was mainly due to increase in loss of Assam State Transport Corporation from ₹ 38.67 crore to ₹ 106.53 crore (2021-22).

Though 16 non-working Companies did not have any activities during 2020-23, one company (Assam Spun Silk Mills Limited) had received revenue grants of ₹ 5.17 crore from GoA during 2013-14 and the same was accounted as income in its last finalised accounts (2013-14). Another non-working company (Assam Syntex Limited) had earned interest income against investment of funds received on disposal of fixed assets. Consequently, the overall working results of 16 non-working companies were positive during the last three reporting years (2020-21 to 2022-23).

1.1.9.2 Profit earned and Dividend paid by working SPSEs

As per Public Enterprise Policy, 2019, of GoA, the SPSEs having no accumulated loss and having operating profit shall pay a minimum dividend to its shareholders out of the profit earned after payment of tax dues by the SPSEs during the preceding

financial year, provided such provision is laid down in Articles of Association/Articles of Incorporation of the SPSE. Dividend payout relating to working SPSEs during 2020-23, in which GoA had direct equity infusion, is given in ***Table 1.1.7***.

Table 1.1.7: Dividend Payout by working Companies to GoA

Year	SPSEs which earned profit during the year	GoA Equity (₹ in crore)	No. of SPSEs declared/paid[17] dividend	Total dividend declared/ paid (₹ in crore)	Dividend Payout Ratio (*per cent*)
i	ii	iii	iv	v	vi = v ÷ iii × 100
2020-21	17	1,015.99	1	5.07	0.50
2021-22	22	999.56	1	5.07	0.51
2022-23	18	10,018.26	1	5.07	0.05

Source: As per latest finalised accounts as on 30 September of the respective years

As can be seen from ***Table 1.1.7***, the number of profit-making Companies having direct equity infusion by GoA ranged between 17 and 22 during 2020-2023, against which only one Company (Assam Gas Company Limited) paid dividend of ₹ 15.21 crore to GoA. The Dividend Payout ratio of Companies during the period ranged between 0.05 *per cent* and 0.51 *per cent*. Further, nine[18] Companies having no accumulated losses registered a profit of ₹ 168.80 crore during 2022-23. These Companies, however, did not declare any dividend.

1.1.10 Long-term Debts of SPSEs

Table 1.1.8 depicts the position of outstanding long-term debts of SPSEs during 2020-21 to 2022-23 as per their latest finalised accounts.

Table 1.1.8: Position of Long-Term Loans (GoA and Others) of SPSEs

(₹ in crore)

Nature of SPSEs	2020-21	2021-22	2022-23
Working Companies	4,202.76	3,854.67	2,059.84
Statutory Corporations	58.25	64.12	55.56
Non-working Companies	74.96	75.31	75.31
Total	**4,335.97**	**3,994.10**	**2,190.71**

Source: As per latest finalised accounts of SPSEs as on 30 September of the respective years

As can be seen from ***Table 1.1.8***, the long-term loans (GoA and Others) of SPSEs registered a decrease of ₹ 1,803.39 crore (45.15 *per cent*) during 2022-23 as compared to 2021-22. This decrease was attributable mainly to decrease of ₹ 1,788 crore in debt of two power sector Companies *viz*. Assam Electricity Grid Corporation Limited and Assam Power Distribution Company Limited from ₹ 2,206.89 crore (2021-22) to ₹ 418.89 crore (2022-23).

More than 78 *per cent* (₹ 1,720.81 crore) of borrowings as on 31 March 2023, pertained to Assam Petro-Chemicals Limited with a total outstanding of

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[17] ***Table 1.1.7*** excludes the details of one profit earning Company (Assam Mineral Development Corporation Limited), which had 'proposed dividend' of ₹ 0.49 crore in its latest finalised Accounts (2018-19) but the status of actual payment thereagainst or dividend declared/paid during subsequent years was not known pending finalisation of subsequent accounts.

[18] SPSEs at Sl. No. A1, B9, B12, B18, B19, B21, B27, B30 and B32 of ***Appendix 3***.

₹ 924.65 crore (42.21 *per cent*) and two power sector Companies *viz*. Assam Power Generation Corporation Limited and Assam Power Distribution Company Limited, which had outstanding loans of ₹ 796.16 crore (36.34 *per cent*) as per their latest finalised accounts as on 30 September 2023.

1.1.10.1 Adequacy of assets to meet Long-term Debts of SPSEs

Ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than its unpaid aggregate loans/debts.

As per their latest finalised accounts as of September 2023, 29[19] out of 52 SPSEs had outstanding long-term loans. The coverage of long-term debts by value of total assets in respect of these 28 SPSEs[20] as per their latest finalised accounts as on 30 September 2023 is given in ***Table 1.1.9***.

Table 1.1.9: Coverage of long-term loans with total assets

Nature of SPSEs	Positive coverage				Negative coverage			
	No. of SPSEs	Long-term loans (₹ in crore)	Assets (₹ in crore)	Percentage of assets to loan	No. of SPSEs	Long term loans (₹ in crore)	Assets (₹ in crore)	Percentage of assets to loans
Working Companies	16	2,037.02	30,071.61	1,476.25	2	22.82	9.46	41.45
Statutory Corporations	3	55.56	432.64	778.69	-	-	-	-
Non-working Companies	4	12.30	75.05	610.16	3	56.71	6.83	12.04
Total	**23**	**2,104.88**	**30,579.30**	**1,452.78**	**5**	**79.53**	**16.29**	**20.48**

Source: As per latest finalised accounts as on 30 September 2023

As can be seen from ***Table 1.1.9***, out of 28 SPSEs, two[21] working and three[22] non-working Companies had higher outstanding loans than the value of their assets as per latest finalised accounts as on 30 September 2023. The long-term loans of 16 working Companies, three Statutory Corporations and four non-working Companies had been adequately covered by their assets, which is a positive indication to affirm their solvency.

1.1.10.2 Interest Coverage

Interest Coverage Ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's Earnings Before Interest and Taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An interest

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[19] SPSEs at Sl. No. A1, A2, A3, B4, B7, B8, B10, B13, B14, B15, B16, B17, B22, B23, B26, B29, B31, B32, C1, C2, C3, D1, D2, D5, D6, D7, D10, D11 and D15 of ***Appendix 3***.

[20] Assam Polytex Limited having outstanding loan of ₹ 6.30 crore was excluded as it was untraceable with no details available.

[21] Assam Hills Small Industries Development Corporation Limited and Assam State Fertilizers and Chemicals Limited.

[22] Assam State Minor Irrigation Development Corporation Limited, Assam Conductors and Tubes Limited and Assam State Textiles Corporation Limited.

coverage ratio below one indicates that the company was not generating sufficient revenues to meet its expenses on interest.

The details of ICR in respect of SPSEs[23] having interest burden against long-term loans during 2020-21 to 2022-23 are given in ***Table 1.1.10***.

Table 1.1.10: Interest Coverage Ratio relating to SPSEs having interest burden.

Year	Nature of SPSEs	Interest (₹ in crore)	EBIT (₹ in crore)	No. of SPSEs having interest burden on long-term loans	No. of SPSEs having interest coverage ratio more than 1	No. of SPSEs having interest coverage ratio of less than 1
2020-21	Working Companies	171.05	179.74	6	3	3
	Statutory Corporations	3.10	(3.59)	2	1	1
	Non-working Companies	0.91	5.09	2	1	1
	Total	**175.06**	**181.24**	**10**	**5**	**5**
2021-22	Working Companies	116.48	116.80	8	6	2
	Statutory Corporations	4.26	(38.29)	3	1	2
	Non-working Companies	0.91	5.09	2	1	1
	Total	**121.65**	**83.60**	**13**	**8**	**5**
2022-23	Working Companies	100.86	636.38	10	8	2
	Statutory Corporations	5.04	(105.33)	3	1	2
	Non-working Companies	0.91	5.09	2	1	1
	Total	**106.81**	**536.14**	**15**	**10**	**5**

Source: Latest finalised accounts of SPSEs as on 30 September of the respective year

As can be noticed from ***Table 1.1.10***, out of six to 10 working Companies having interest burden against long-term borrowing during 2020-21 to 2022-23, two to three Companies had ICR of 'less than one' during the respective year. Further, out of two to three Statutory Corporations having interest burden against long-term borrowing during 2020-21 to 2022-23, one to two Statutory Corporations had ICR of 'less than one' during the respective years.

Similarly, in respect of two non-working Companies which have interest burden against long-term borrowing during 2020-21 to 2022-23, one non-working Company had ICR of 'less than one' during the respective years. The ICR of SPSEs with 'less than one' indicated that the SPSEs were not in a comfortable position to service their long-term debts.

[23] Excluding two SPSEs (Sl. No. B22 and B32 of ***Appendix 3***), which capitalised the interest expenses and other 11 SPSEs (Sl. No. B4, B8, B14, B15, B16, B17, D5, D6, D7, D10 and D15 of ***Appendix 3***), which did not provide for the interest liability in their Accounts.

1.1.11 Operating Efficiency of SPSEs

1.1.11.1 Key parameters

Some of the key parameters of the operational efficiency of SPSEs during 2020-21 to 2022-23 as per their latest finalised accounts as on 30 September of the respective year are given in ***Table 1.1.11***.

Table 1.1.11: Key parameters of operational efficiency of SPSEs

(₹ in crore)

Year	Nature of SPSEs	Paid up capital	Accumu-lated losses (-)	Free reserve & surplus	Net overall profits (+)/ losses (-)	EBIT	Capital Employed
2020-21	Working Companies	1768.92	-3,980.10	1,166.90	150.68	364.73	3,158.48
	Statutory Corporations	213.60	-1,037.67	-	-60.44	-57.34	-765.82
	Non-working Companies	67.07	-256.18	-	0.86	1.77	-114.15
	Total	**2,049.59**	**-5,273.95**	**1,166.90**	**91.10**	**309.16**	**2,278.51**
2021-22	Working Companies	2,052.42	-2,219.66	1,371.18	213.86	413.40	5,058.61
	Statutory Corporations	213.60	-1,076.29	-	-42.55	-38.29	-798.57
	Non-working Companies	67.07	-257.35	-	1.26	2.19	-114.97
	Total	**2,333.09**	**-3,553.30**	**1,371.18**	**172.57**	**377.30**	**4,145.07**
2022-23	Working Companies	11,099.23	-1,967.11	1,565.10	507.14	649.76	12,757.06
	Statutory Corporations	213.60	-1,704.54	-	-110.37	-105.33	-1,435.38
	Non-working Companies	67.07	-281.06	-	1.23	2.16	-138.68
	Total	**11,379.90**	**-3,952.71**	**1,565.10**	**398.00**	**546.59**	**11,183.00**

Source: As per latest finalised accounts as on 30 September of the respective year

As can be seen from ***Table 1.1.11***, the overall net profit of working Companies increased by ₹ 293.28 crore from ₹ 213.86 crore (2021-22) to ₹ 507.14 crore (2022-23). This was mainly due to turnaround in performance of Assam Power Distribution Company Limited from loss of ₹ 292.42 crore[24] (2021-22) to profit of ₹ 336.35 crore[25] (2022-23), indicating improvement in performance of the Company. This also led to corresponding increase in EBIT of working Companies from ₹ 413.40 crore (2021-22) to ₹ 649.76 crore (2022-23). The total accumulated losses of working Companies after netting off the reserve & surplus were ₹ 402.01 crore as on 31 March 2023, which have been derived after taking into account the accumulated losses (*net off the free reserves*) of Assam Power Distribution Company Limited (₹ 896.32 crore), Assam Electricity Grid Corporation Limited (₹ 323.60 crore) and Assam Tea Corporation Limited (₹ 284.03 crore).

As regards Statutory Corporations, the overall net loss increased by ₹ 67.82 crore from ₹ 42.55 crore (2021-22) to ₹ 110.37 crore (2022-23). This was mainly due to increase in loss of Assam State Transport Corporation from ₹ 38.67 crore (2021-22) to

[24] As per SPSEs latest finalised accounts for the year 2020-21.
[25] As per SPSEs latest finalised accounts for the year 2021-22.

₹ 106.53 crore (2022-23) indicating deteriorating performance of the Corporation. The total accumulated losses of Statutory Corporations were ₹ 1,704.54 crore as on 31 March 2023. The major contributor to accumulated losses to the extent of ₹ 1,664.06 crore (97.63 *per cent*) during 2022-23 was Assam State Transport Corporation.

As regards non-working Companies, the accumulated losses increased from ₹ 257.35 crore (2021-22) to ₹ 281.06 crore (2022-23). More than 43 *per cent* (₹ 122.67 crore) of the total accumulated losses of non-working Companies (₹ 281.06 crore) during 2022-23 were contributed by Assam State Minor Irrigation Development Corporation Limited (₹ 63.76 crore) and Assam Syntex Limited (₹ 58.91 crore).

1.1.11.2 Return on Capital Employed

Return on Capital Employed (RoCE) is a profitability metric that measures the long-term profitability and efficiency of the total capital employed by a company. Companies create value when they generate return on capital employed in excess of cost of capital. RoCE is an important metric for long-term lenders and is calculated by dividing a company's EBIT by capital employed.

RoCE was not workable in respect of SPSEs having negative capital employed. During 2022-23, out of 52 SPSEs, 31 SPSEs[26] (23 working Companies, two Statutory Corporations and six non-working Companies) had positive capital employed while remaining 21 SPSEs (10 working Companies, one Statutory Corporation and 10 non-working Companies) had negative capital employed as detailed in ***Appendix 3***. ***Table 1.1.12*** provides the details of RoCE in respect of SPSEs having positive capital employed during 2020-21 to 2022-23.

Table 1.1.12: Return on Capital Employed

Year	Nature of SPSEs	SPSEs having positive Capital Employed			
		Number	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (*per cent*)
2020-21	Working Companies	21	114.83	4,474.99	2.57
	Statutory Corporations	2	-3.59	77.04	-4.66
	Non-working Companies	6	-0.01	16.23	-0.06
	Total	**29**	**111.23**	**4,568.26**	**2.43**
2021-22	Working Companies	22	370.48	5376.63	6.89
	Statutory Corporations	2	-0.27	46.41	-0.58
	Non-working Companies	6	-0.01	16.27	-0.06
	Total	**30**	**370.20**	**5,439.31**	**6.81**
2022-23	Working Companies	23	608.72	13,086.61	4.65
	Statutory Corporations	2	-0.23	44.39	-0.52
	Non-working Companies	6	-0.01	16.27	-0.06
	Total	**31**	**608.48**	**13,147.27**	**4.63**

Source: As per latest finalised accounts as on 30 September 2023

[26] SPSEs at Sl. No. A1, A2, A3, B5, B6, B8, B9, B12, B15, B16, B18, B19, B20, B21, B22, B24, B26, B27, B28, B30, B31, B32, B33, C1, C3, D3, D7, D8, D9, D11 and D14 of ***Appendix 3***.

As can be seen from ***Table 1.1.12***, the working Companies with positive capital employed registered increase of ₹ 8,611.62 crore (192.44 *per cent*) in aggregate capital employed from ₹ 4,474.99 crore (2020-21) to ₹ 13,086.61 crore (2022-23) during 2020-23. The EBIT of working Companies also increased by ₹ 493.89 crore (430.11 *per cent*) from ₹ 114.83 crore (2020-21) to ₹ 608.72 crore (2022-23). As a result, RoCE of working Companies having positive capital employed had shown an overall improvement during 2020-23 from 2.57 *per cent* (2020-21) to 4.65 *per cent* (2022-23). On the contrary, the Statutory Corporations having positive capital employed registered a decrease of ₹ 32.65 crore (42.38 *per cent*) in their aggregate capital employed from ₹ 77.04 crore (2020-21) to ₹ 44.39 crore (2022-23). The EBIT of Statutory Corporations was negative during all the three years (2020-23). Further, it was also seen that the capital employed and EBIT of the non-working Companies was almost stagnant during 2020-23 in absence of any activities.

1.1.11.3 Return on Equity

Return on equity[27] (RoE) is a measure of financial performance of companies calculated by dividing the 'net income earned' by the equity.

During 2022-23, 21 SPSEs (18 working Companies, one Statutory Corporation and two non-working Companies) earned profit of ₹ 596.88 crore as compared to profit of ₹ 518.14 crore earned by 26 SPSEs (23 working Companies, one Statutory Corporation and two non-working Companies) during 2021-22. Further, out of 21 SPSEs which earned profit during 2022-23, 14 SPSEs[28] (13 working Companies and one Statutory Corporation) had positive equity or shareholders' fund.

The RoE of these 13 working Companies was 5.30[29] *per cent* during 2022-23 as compared to RoE of 13.62 *per cent* during 2021-22 in respect of 15 working Companies (having positive equity or shareholders' fund). In case of remaining five[30] working Companies which earned profit during 2022-23, the accumulated losses (₹ 463.39 crore) eroded their paid-up capital (₹ 38.26 crore) completely.

In case of one Statutory Corporation (Assam State Warehousing Corporation) the RoE was 3.25[31] *per cent* during 2022-23 as compared to RoE of 1.18 *per cent* during 2021-22. Further, in case of two non-working Companies *viz*. Assam Spun Silk Mills Limited and Assam Syntex Limited, which earned profit (₹ 4.74 crore) during 2022-23, the accumulated losses (₹ 82.56 crore) eroded their paid-up capital (₹ 6.82 crore) completely.

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[27] Return on Equity = (Net profit after tax and preference dividend ÷ Equity) x 100; where, Equity = paid up capital *plus* free reserves and accumulated profits *minus* accumulated losses and deferred revenue expenditure.

[28] SPSEs at Sl. No. A1, A2, A3, B9, B12, B18, B19, B21, B24, B27, B30, B31, B32 and C3 of ***Appendix 3***.

[29] Net Profit (₹ 550.93 crore) ÷ Shareholders' fund (₹ 10,397.03 crore) x 100.

[30] SPSEs at Sl. No. B7, B10, B11, B23 and B29 of ***Appendix 3***.

[31] Net Profit (₹ 0.10 crore) ÷ Shareholders' fund (₹ 3.08 crore) x 100.

1.1.12 Loss making working SPSEs

Table 1.1.13 depicts the position of aggregate losses incurred by loss-making working SPSEs[32] during 2020-23 as per their latest finalised accounts.

Table 1.1.13: Details of loss-making working SPSEs

Year	2020-21	2021-22	2022-23
Working Companies			
Total number of Companies	32	32	33
Number of loss-making Companies	13	9	15
Aggregate losses (*₹ in crore)*	(-) 212.30	(-) 299.48	(-) 84.90
Statutory Corporations			
Total number of Corporations	3	3	3
Number of loss-making Corporations	2	2	2
Aggregate losses (*₹ in crore)*	(-) 60.57	(-) 42.61	(-) 110.47
Total Aggregate losses (*₹ in crore)*	**(-) 272.87**	**(-) 342.09**	**(-) 195.37**

Source: As per latest finalised accounts of working SPSEs as on 30 September

The details of two major contributors to losses (89.01 *per cent*) of working SPSEs (₹ 195.37 crore) during 2022-23 are given in ***Table 1.1.14.***

Table 1.1.14: Major contributors to losses of SPSEs during 2022-23

(₹ in crore)

Sl. No.	Name of the SPSE	Latest finalised accounts	Net Loss	Turnover
1	Assam State Transport Corporation	2021-22	106.53	70.45
2	Assam Petro-Chemicals Limited	2022-23	67.36	104.06
Total			**173.89**	**174.51**

Source: As per latest finalised accounts of SPSEs as on 30 September 2023

As can be seen from ***Table 1.1.14***, 89.01 *per cent* of losses incurred by working SPSEs during 2022-23 were contributed by Assam State Transport Corporation (ASTC) and Assam Petro-Chemicals Limited (APL). ASTC contributed highest loss (₹ 106.53 crore) mainly due to reduction in its operating and non-operating revenue by ₹ 84.85 crore from ₹ 165.05 crore (2021-22) to ₹ 80.20 crore (2022-23). Further, APL contributed 34.48 *per cent* of the aggregate SPSE-losses (₹ 195.37 crore) mainly due to hike in the procurement price of Natural Gas (NG) and decline in the sales price of methanol in the international market. As a result, the cost of NG (input material) consumed by APL had increased from ₹ 28.97 crore (2021-22) to ₹ 96.14 crore (2022-23), while the turnover during 2022-23 was reduced by ₹ 21.87 crore (17.37 *per cent*) to ₹ 104.06 crore as compared to the previous financial year (2021-22).

1.1.12.1 Investment made by GoA in loss-making working SPSEs

During 2022-23, GoA invested in six loss-making working SPSEs (five companies and one corporation) as detailed in ***Table 1.1.15***.

[32] As the non-working SPSEs were not functional, no analysis with regard to loss incurring non-working SPSEs were made.

Table 1.1.15: Investment made by GoA in loss-making working SPSEs

(₹ in crore)

Sl. No.	Name of SPSEs	Investment by GoA		
		Equity	Loans	Grants
Working Companies				
1	Assam Tea Corporation Ltd.	0.00	281.25	0.00
2	Assam State Development Corporation for Scheduled Castes Ltd.	0.00	0.00	5.36
3	Assam State Film (Finance & Development) Corporation Ltd.	0.00	0.00	2.83
4	Assam Petro-Chemicals Ltd.	55.25	0.00	0.00
5	Assam Medical Services Corporation Ltd.	8.54	0.00	0.00
Statutory Corporation				
6	Assam State Transport Corporation	0.00	0.00	100.79
Grand total		**63.79**	**281.25**	**108.98**

Source: Information furnished by SPSEs

As can be seen from ***Table 1.1.15***, six loss-making working SPSEs received budgetary support of ₹ 454.02 crore by way of equity (₹ 63.79 crore), loans (₹ 281.25 crore) and grants (₹ 108.98 crore), out of which the budgetary support of ₹ 380.13 crore[33] was meant to meet the salary-related expenses of their employees.

Though the overall profit of working SPSEs increased from ₹ 171.31 crore (2021-22) to ₹ 396.77 crore (2022-23), the number of loss-making working SPSEs also increased to 17 SPSEs in 2022-23 as compared to 11 SPSEs during 2021-22. The bulk of the losses of the SPSEs was however incurred by two[34] SPSEs as detailed under ***Table 1.1.14***.

In view of this scenario, GoA may take a focussed effort and extend necessary support for improvement of their operational performance.

1.1.12.2 Working SPSEs having complete erosion of paid-up capital

Complete erosion of equity capital by the accumulated losses (net after free reserves) represents negative net worth of the SPSEs.

The aggregate paid-up capital and overall accumulated losses (net after adjusting free reserves and surplus) of 36 working SPSEs as per their latest finalised accounts as on 30 September 2023 were ₹ 11,312.83 crore and (-) ₹ 2,106.55 crore respectively. Analysis of investment and net accumulated losses of these SPSEs revealed that the accumulated losses (net after adjusting free reserves & surplus) of 14 working SPSEs (₹ 2,225.08 crore) had completely eroded their paid-up capital (₹ 236.26 crore) as detailed in ***Table 1.1.16***.

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[33] Government Loan (₹ 281.25 crore) to Assam Tea Corporation Limited; Grants (₹ 98.88 crore) to i) Assam State Development Corporation for Scheduled Castes Limited (₹ 3.37 crore), ii) Assam State Film (Finance & Development) Corporation Limited (₹ 0.42 crore) and iii) Assam State Transport Corporation (₹ 95.09 crore).

[34] Assam Petro-Chemicals Limited and Assam State Transport Corporation.

Table 1.1.16: Erosion of Capital of working SPSEs

(₹ in crore)

Sl. No.	Name of SPSEs	Latest finalised accounts	Paid-up capital	Accumulated losses (net after adjusting free reserves)
Statutory Corporation				
1	Assam State Transport Corporation	2021-22	167.73	1,664.06
Working Companies				
2	Assam Tea Corporation Ltd.	2014-15	27.54	284.03
3	Ashok Paper Mill (Assam) Ltd.	2018-19	0.01	99.43
4	Assam Plains Tribes Development Corporation Ltd.	2020-21	2.95	41.88
5	Assam State Development Corporation for Scheduled Castes Ltd.	2017-18	10.10	34.07
6	Assam State Development Corporation for Other Backward Classes Ltd.	2021-22	3.40	18.20
7	Assam Small Industries Development Corporation Ltd.	2014-15	6.67	17.63
8	Assam Government Marketing Corporation Ltd.	2018-19	4.36	17.50
9	Assam Plantation Crops Development Corporation Ltd.	2013-14	5.00	13.71
10	Assam Hills Small Industries Development Corporation Ltd.	2006-07	2.00	12.38
11	Assam Seeds Corporation Ltd.	2018-19	1.46	10.28
12	Assam State Fertilizers and Chemicals Ltd.	2011-12	4.93	7.28
13	Amtron Informatics (India) Ltd.	2017-18	0.01	4.34
14	Assam State Film (Finance & Development) Corporation Ltd.	2015-16	0.10	0.29
Grand total			**236.26**	**2,225.08**

Source: As per latest finalised accounts as on 30 September 2023

It was seen that the net worth of 13 out of 14 SPSEs[35] mentioned above continued to be negative for more than 10 years. The gradual increase in the losses of above SPSEs over the years was a drain on the State economy and resources.

1.1.12.3 Viability of working SPSEs whose accumulated losses completely eroded their paid-up capital

Financial autonomy is the ability to manage funds independently, which enabled an organisation to set and achieve its major objectives.

The turnover *vis-a-vis* employees' expenses of 14 working SPSEs having negative net worth are detailed in ***Table 1.1.17***.

Table 1.1.17: Turnover *vis-à-vis* employees' expenses of SPSEs having negative net worth

(₹ in crore)

Sl. No.	Name of SPSEs	Latest finalised accounts	Turnover	Employees' expenses
Working Companies				
1	Assam Seeds Corporation Ltd.	2018-19	83.97	8.49
2	Assam Tea Corporation Ltd.	2014-15	43.01	60.31
3	Assam Plantation Crop Development Corporation Ltd.	2013-14	1.99	1.26
4	Assam Plains Tribes Development Corporation Ltd.	2020-21	0.02	5.67

[35] Other than Assam State Film (Finance & Development) Corporation Limited

Sl. No.	Name of SPSEs	Latest finalised accounts	Turnover	Employees' expenses
5	Assam State Development Corporation for Other Backward Classes Ltd.	2021-22	0.12	4.79
6	Assam State Development Corporation for Scheduled Castes Ltd.	2017-18	0.00	5.91
7	Assam State Film (Finance & Development) Corporation Ltd.	2015-16	0.03	0.39
8	Assam Hills Small Industries Development Corporation Ltd.	2006-07	0.00	0.04
9	Assam Small Industries Development Corporation Ltd.	2014-15	44.86	9.02
10	Ashok Paper Mill (Assam) Ltd.	2018-19	0.00	0.49
11	Amtron Informatics (India) Ltd.	2017-18	0.00	0.00
12	Assam State Fertilizers and Chemicals Ltd.	2011-12	1.98	1.09
13	Assam Government Marketing Corporation Ltd.	2018-19	20.40	3.43
Statutory Corporation				
14	Assam State Transport Corporation	2021-22	70.45	87.01
Total			**266.83**	**187.90**

Source: Latest finalised accounts of SPSEs as on 30 September 2023

As can be seen from ***Table 1.1.17***, the employee expenses of five Companies (Serial No. 1, 3, 9, 12 and 13 of ***Table 1.1.17***) could be met out of their turnover, while the turnover of remaining eight SPSEs (including three SPSEs with zero turnover) was not adequate to cover its employee expenses. There was, however, no direct employees related expenses in respect of one SPSE having zero turnover (Serial No. 11 of ***Table 1.1.17***). It was further seen that eight SPSEs whose turnover was less than employee expenses depended on other income[36] (such as interest earned from fixed deposits) or budgetary support[37] to meet their salary-related expenses. It was also seen that none of the 14 working SPSEs whose accumulated losses completely eroded their equity capital had adequate resources to achieve the envisaged objectives. This led to dependency of these SPSEs on the State Government for financial support not only to undertake their mandated objectives but also to meet their employee expenses.

Accumulation of losses of above SPSEs had eroded public wealth, which is a cause of concern, and GoA needs to review the working of these SPSEs to either improve their profitability or close their operations. GoA may also review/downsize the staff requirement of the SPSEs and bring their establishment cost to acceptable level. It may also merge the SPSEs to one or two with defined verticals of business within the SPSEs to achieve economies of scale.

1.1.13 Return on Investment by GoA based on Present Value of Investment

The Rate of Real Return (RoRR) measures profitability and efficiency with which equity and similar capital bearing no interest earning have been employed, after adjusting them for the time value.

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[36] Sl. No. 8 and 10 of ***Table 1.1.17***

[37] Sl. No. 2, 4, 5, 6, 7 and 14 of ***Table 1.1.17***

To determine RoRR on investment, the investment of GoA in SPSEs in the form of equity, interest-free loans and grants/subsidies provided by GoA for operational and management expenses *less* disinvestments (if any) has been considered and indexed to their Present Value (PV) and summated. The RoRR is then calculated by dividing the 'Profit After Tax' (PAT) by the sum of the PV of the GoA investment.

GoA infused funds in the form of equity and loans (all interest bearing) in 41 SPSEs and revenue grants/subsidies in all 52 SPSEs since inception of the SPSEs. During 2022-23, 36 working SPSEs earned an overall profit of ₹ 396.77 crore, comprising profit of ₹ 592.14 crore (19 SPSEs) and loss of ₹ 195.37 crore (17 SPSEs). In addition, 16 non-working SPSEs earned an overall profit of ₹ 1.23 crore (***Appendix 3***). Based on historical value of investment, the return on investment by GoA during 2022-23 was 2.12 *per cent*. On the other hand, when the present value of investment is considered, the RoRR on investment by GoA during 2022-23 worked out at 1.44 *per cent* as shown in ***Appendix 4***. This difference in the percentage of return on investment by GoA was on account of the adjustments made in the investment amount for time value of money.

1.1.14 Performance of SPSEs having no arrear of accounts

As per the position on 30 September 2023, 7[38] out of 36 working SPSEs finalised their accounts up to the current financial year 2022-23. The financial position and working results of these seven working Companies[39] as per their accounts for the years from 2020-21 to 2022-23 is given in ***Table 1.1.18***.

Table 1.1.18: Performance of working SPSEs having no arrear of Accounts

(***₹ in crore***)

Particulars	Year of Accounts		
	2020-21	**2021-22**	**2022-23**
Turnover[40]	1,140.16	1,333.85	2,407.29
Profit/(Loss)	64.94	424.23	116.60
Paid-up Capital	1,358.12	1,358.12	6,109.19
Capital grant for projects	320.14	87.72	447.80
Long-term loans (GoA)	1,190.71	555.52	30.10
Long-term loans (GoI/Financial Institutions)	1,134.27	1,449.16	1,362.89
Interest expenses	115.11	23.25	42.50
Accumulated Loss (-)	-563.19	-320.34	-401.40
Free reserves and surplus	1,040.32	1,210.35	1,358.88
GSDP	3,53,605.42	4,12,611.87	4,93,166.60
Percentage of turnover to GSDP	**0.32**	**0.32**	**0.49**

[38] Sl. No. A1, A2, B22, B24, B31, B32, B33 of ***Appendix 3***.

[39] Assam Power Generation Corporation Limited, Assam Electricity Grid Corporation Limited, Assam Petro-Chemicals Limited, Assam Hydro-Carbon and Energy Company Limited, Assam Gas Company Limited, DNP Limited and Purba Bharti Gas Private Limited.

[40] 'Turnover' represents SPSEs' income from their core activities and excludes 'other income'.

Analysis of the financial data from ***Table 1.1.18*** revealed the following:

1.1.14.1 Growth in the contribution of SPSE-turnover to GSDP

The aggregate turnover of seven working Companies had shown a significant increase (₹ 1,267.13 crore) from ₹ 1,140.16 crore (2020-21) to ₹ 2,407.29 crore (2022-23). The major contributors to turnover during 2022-23 were two power sector Companies *viz*., Assam Power Generation Corporation Limited (APGCL) (₹ 1,111.08 crore) and Assam Electricity Grid Corporation Limited (AEGCL) (₹ 442.26 crore). Further, Assam Gas Company Limited (₹ 655.66 crore) also contributed substantially to the working Companies overall turnover. The increase in working Companies-turnover during 2020-23 was 111.14 *per cent* as against the growth rate of the GSDP of 39.47 *per cent* leading to increase in the contribution of working Companies' turnover to GSDP from 0.32 *per cent* (2020-21) to 0.49 *per cent* (2022-23).

1.1.14.2 Operational results

The seven working Companies earned an aggregate profit of ₹ 116.60 crore during 2022-23 as against aggregate profit of ₹ 64.94 crore earned during 2020-21. The improvement in performance of the working Companies was mainly due to turnaround of AEGCL from a loss of ₹ 22.62 crore (2020-21) to profit of ₹ 41.13 crore (2022-23) and also turnaround of APGCL from a loss of ₹ 25.96 crore (2020-21) to profit of ₹ 92.21 crore (2022-23). This improvement in operational results of two Companies was mainly due to the overall growth of ₹ 812.97 crore in their aggregate turnover from ₹ 740.37 crore (2020-21) to ₹ 1,553.34 crore (2022-23). Further, the overall increase in free reserves and surplus of seven SPSEs from ₹ 1,040.32 crore (2020-21) to ₹ 1,358.88 crore (2022-23) was mainly attributable to continuous profits earned by three SPSES (Assam Gas Company Limited, DNP Limited and Assam Hydro-Carbon and Energy Company Limited) during the last three years (2020-23).

1.1.14.3 Capital Grants for power projects

During 2021-23, two Companies (AEGCL and APGCL) out of the above seven working Companies having no arrear of accounts received total capital grants of ₹ 855.66 crore from GoA ranging between ₹ 87.72 crore (2020-21) to ₹ 447.80 crore (2022-23) for creation of power sector projects.

1.1.14.4 Long-term borrowings

As on 31 March 2023, four[41] out of the above seven working Companies had major outstanding long-term loans of ₹ 1,367.99 crore (98.21 *per cent* of total borrowings) comprising loans availed from GoA (₹ 30.10 crore) and Banks/Financial Institutions (₹ 1,337.89 crore). During the last three years (2020-21 to 2022-23), GoA further extended loans aggregating ₹ 48.67 crore to AEGCL (₹ 19.79 crore) and APGCL (₹ 28.88 crore) while three other working Companies (Assam Petro-Chemicals

[41] Assam Power Generation Corporation Limited (₹ 389.67 crore), Assam Electricity Grid Corporation Limited (₹ 12.40 crore), Assam Petro-Chemicals Limited (₹ 924.65 crore) and Assam Gas Company Limited (₹ 41.27 crore).

Limited, Assam Gas Company Limited and DNP Limited) borrowed fresh loans (₹ 582.52 crore) from other Financial Institutions for financing various project works.

Section 2: Oversight Role of CAG

1.2.1 Audit of State Public Sector Enterprises

The Comptroller & Auditor General of India (CAG) appoints the statutory auditors of a 'Government Company' and 'Government Controlled Other Company' under Section 139(5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and supplement or comment upon the Audit Report of the statutory auditor. In addition, statutes governing some Statutory Corporations require that their accounts be audited by the CAG and a report be submitted to the State Legislature.

1.2.2 Appointment of statutory auditors of SPSEs by CAG

Section 139(5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year. The statutory auditors of 48 SPSEs[42] out of total 51 SPSEs in Assam are appointed by the CAG.

1.2.3 Submission of accounts by SPSEs

According to Section 394 of Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation, laid before both the Houses of Parliament together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. In case of State-owned Government companies, the State Government shall cause a copy of the Annual Report together with a copy of Audit Report and comments made thereon by CAG to be laid before both the Houses of State Legislature. Similar provisions exist in the respective Acts regulating the Statutory Corporations.

Section 96 of Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. The Act also stipulates that not more than 15 months shall elapse between the date of one AGM and the next. Further, Section 129 of Companies Act, 2013 stipulates that audited Financial Statements for the financial year have to be placed in the said AGM for their consideration.

Section 129(7) of Companies Act, 2013 also provides for levy of penalty like fine and imprisonment of persons including Directors of the Company responsible for non-compliance with provisions of Section 129 of Companies Act, 2013. Despite the above stipulations, annual accounts of various SPSEs were pending finalisation as on 30 September 2022, as discussed in succeeding paragraphs.

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[42] Excluding Assam State Transport Corporation where CAG is the sole auditor and two other corporations, namely, Assam Financial Corporation, whose auditors are appointed by the Corporation out of the panel of auditors provided by Reserve Bank of India and Assam State Warehousing Corporation, whose auditors are appointed by the State Government on the advice of CAG.

1.2.4 Timeliness in preparation of accounts by SPSEs

As on 31 March 2023, there were 52 SPSEs under the audit jurisdiction of Principal Accountant General (Audit), Assam. These SPSEs include 49[43] Government Companies and 3 Statutory Corporations. Details of submission of accounts by SPSEs and age-wise analysis of arrears of the accounts of these SPSEs as on 30 September 2023 are given in ***Table 1.2.1*** and ***1.2.2***.

Table 1.2.1: Details of submission of accounts by SPSEs

Particulars	No. of SPSEs
Total number of SPSEs under the purview of CAG's audit	52
Number of SPSEs which submitted their accounts for CAG's audit during October 2022 to September 2023	22
Number of SPSEs who submitted the current year's accounts (2022-23)	07[44]
Number of SPSEs who submitted their accounts but having arrears	15

Table 1.2.2: Age-wise analysis of arrears of accounts of SPSEs

Nature of SPSEs		Accounts in arrears	SPSEs
Break-up of accounts in arrears	**Working SPSEs**	**192**	**29**
	Companies	187	26
	Statutory Corporations	5	3
	Non-working SPSEs	**218**	**16**
	All Companies	218	16
	Total	**410**	**45**
Age-wise Analysis of the arrears (No. of accounts)	**No arrears**	**-**	**07**
	Working	-	07
	Non-working	-	00
	One year (2022-23)	**09**	**09**
	Working Companies	04	04
	Statutory Corporations	02	02
	Non-working Companies	03	03
	Two to five years (2017-18 and 2021-22)	**53**	**16**
	Working Companies	44	13
	Statutory Corporations	03	01
	Non-working Companies	06	02
	More than five years	**348**	**20**
	Working SPSEs	139	09
	Non-working SPSEs	209	11

Source: Compiled based on accounts of SPSEs received during October 2022 to September 2023

As can be seen from ***Table 1.2.2***, 45 SPSEs (29 working and 16 non-working) had 410 accounts pending finalisation as on 30 September 2023. Further, 20 Companies (9 working Companies and 11 non-working Companies) had 348 accounts pending finalisation for more than five years as on 30 September 2023. The highest number of

[43] Including 10 subsidiaries of Government companies (Sl. No. B25, B26, B31, D7, D9, D11, D12, D13, D15 & D16 of ***Appendix 3***) and 2 Government controlled other SPSEs (Sl. No. B22 and B32 of ***Appendix 3***).

[44] SPSEs at Sl. No. A1, A2, B22, B24, B31, B32 and B33 (all working Government companies) of ***Appendix 3.***

accounts pending finalisation amongst working and non-working Companies pertained to Assam Plantation Crop Development Corporation Limited (30 accounts) and Assam Tanneries Limited (40 accounts) respectively.

Delay in finalisation of accounts entails the risk of fraud/misappropriation and leakage of public money apart from violation of provisions of the relevant statutes. Further, in absence of up-to-date accounts of SPSEs, the actual status regarding utilisation and current worth of the public money invested in these SPSEs could not be ascertained and reported to the Legislature and other stakeholders including the State Government.

The Administrative Departments concerned have the responsibility to oversee the activities of these entities and to ensure that the accounts of SPSEs under their control are finalised and adopted by SPSEs within the stipulated period. In view of huge arrears in finalisation of accounts by SPSEs, the Principal Accountant General (Audit), Assam had taken up (February 2023) the matter with SPSEs for liquidating the arrears of accounts. GoA and the SPSEs concerned, however, have not been able to address the issue in a time-bound manner.

1.2.5 Investment made by GoA in SPSEs having arrear in Accounts

Persistent delay in finalisation of accounts is fraught with risk of fraud and leakage of public money apart from violation of provisions of Companies Act, 2013. GoA invested ₹ 1,976.37 crore[45] in 19 SPSEs during the years for which their accounts were in arrears, as detailed in ***Appendix 1. Table 1.2.3*** depicts the details of nine SPSEs, which were major recipients of GoA funds of ₹ 1,939.60 crore (98.14 *per cent*) during the period for which their accounts were in arrears.

Table 1.2.3: Major recipients (SPSEs) of GoA funding having accounts in arrears

(₹ in crore)

Sl. No.	Name of SPSEs	Accounts finalised up to	Accounts in arrears	Investment by GoA during the period of arrears		
				Equity	Loans	Grants
1	Assam Power Distribution Company Ltd.	2021-22	1	0.00	36.68	910.15
2	Assam Livestock and Poultry Corporation Ltd.	2017-18	5	0.00	0.00	21.43
3	Assam Tea Corporation Ltd.	2014-15	8	0.00	576.48	25.00
4	Assam Plains Tribes Development Corporation Ltd.	2020-21	2	0.00	0.00	34.66
5	Assam Food and Civil Supplies Corporation Ltd.	2020-21	2	0.00	0.00	35.00
6	Assam State Development Corporation for Scheduled Castes Ltd.	2017-18	5	0.00	0.00	31.19
7	Assam Hills Small Industries Development Corporation Ltd.	2006-07	16	0.00	27.51	10.60
8	Assam Tourism Development Corporation Ltd.	2020-21	2	0.00	0.00	130.11
9	Assam State Transport Corporation	2021-22	1	0.00	0.00	100.79
Total				**0.00**	**640.67**	**1,298.93**

As can be seen from ***Table 1.2.3***, four Companies having arrear of accounts of five years or more received budgetary support of ₹ 692.21 crore by way of loans

[45] Equity: ₹ 6.54 crore (3 SPSEs), loans: ₹ 649.09 crore (5 SPSEs) and grants: ₹ 1,320.74 crore (15 SPSEs)

(₹ 603.99 crore) and grants (₹ 88.22 crore), out of which budgetary support of ₹ 614.13 crore[46] was meant to meet salary-related expenses of their employees, which was a burden on the State budget. In absence of accounts and their subsequent audit, it could not be verified if the investments made and the expenditure incurred thereagainst have been properly accounted for.

GoA may consider setting up a special cell under the Finance Department to oversee the expeditious clearance of arrears of accounts of SPSEs. Where there is lack of staff expertise, GoA may consider outsourcing the work relating to preparation of accounts and take punitive action against the Management of the SPSEs responsible for pendency of accounts. Until the accounts are made as current as possible, GoA may consider not providing further financial assistance to such SPSEs.

1.2.6 Audit of accounts and supplementary audit

Financial reporting framework

Companies were required to prepare financial statements in the format laid down in Schedule III to Companies Act, 2013 and in adherence to mandatory Accounting Standards prescribed by Central Government, in consultation with National Advisory Committee on Accounting Standards. The statutory corporations were required to prepare their accounts in the format prescribed under the rules, framed in consultation with CAG and any other specific provision relating to accounts in the Act governing such corporations.

1.2.7 Audit of accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by CAG under Section 139 of Companies Act, 2013, conducted audit of accounts of Government Companies and submitted their report thereon in accordance with Section 143 of Companies Act, 2013.

CAG plays an oversight role by monitoring the performance of statutory auditors in audit of public sector enterprises, with the overall objective that the statutory auditors discharged the functions assigned to them properly and effectively.

This function was discharged by exercising the power:

a. to issue directions to statutory auditors under Section 143(5) of Companies Act, 2013; and

b. to supplement or comment upon statutory auditor's report under Section 143(6) of Companies Act, 2013.

1.2.8 Supplementary Audit of accounts of Government Companies

The prime responsibility for preparation of financial statements in accordance with financial reporting framework prescribed under Companies Act, 2013 or other relevant Act is that of the management of the SPSE concerned.

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[46] Government Loan (₹ 576.48 crore) to Assam Tea Corporation Limited and Grants (₹ 37.65 crore) to Assam State Development Corporation for Scheduled Castes Limited (₹ 26.87 crore) and Assam Hills Small Industries Development Corporation Limited (₹ 10.78 crore).

The statutory auditors appointed by CAG under Section 139 of Companies Act, 2013 were responsible for expressing an opinion on these financial statements under Section 143 of Companies Act, 2013, based on independent audit in accordance with Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions given by CAG. The statutory auditors were required to submit their Audit Report to CAG under Section 143 of Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of statutory auditors were reviewed by CAG by carrying out supplementary audit. Based on such review, significant audit observations, if any, were reported under Section 143(6) of Companies Act, 2013, to be placed before the Annual General Meeting of the SPSE concerned.

1.2.9 Result of CAG's oversight role

During October 2022 to September 2023, 22 SPSEs forwarded 33 audited accounts to the Principal Accountant General (Audit), Assam for review. Of these, 28 accounts (7 accounts for the year 2022-23 and 21 accounts for previous years) of 20 SPSEs were selected for supplementary audit. For the remaining five accounts (one account for the year 2020-21 and four accounts for the year 2021-22) of four SPSEs[47], non-review certificates (NRCs) were issued. In addition to the above, two Consolidated Financial Statements (CFS) forwarded by two SPSEs[48] were also selected for supplementary audit.

Table 1.2.4 depicts some of the significant comments issued on the financial statements of the SPSEs.

Table 1.2.4: Comments on Profitability

Sl. No.	Name of SPSEs	Comment
1	Assam Power Generation Corporation Limited (FY 2022-23)	The Company wrongly booked the advance (₹ 1.36 crore) received against 'Land Lease Charges' & 'Local Area Development Fund Charges' for the financial year 2023-24 as 'Other Income' for current year (2022-23) instead of accounting the same under 'Current Liabilities'. This has resulted in overstatement of "Profit for the year" and understatement of "Current Liabilities" by ₹ 1.36 crore each.
2	Assam Power Distribution Company Limited (FY 2021-22)	The Regulator (Assam Electricity Regulatory Commission) during the truing up of tariff of the Company for the financial year 2020-21, declared (March 2022) revenue gap (deficit) of ₹ 561.47 crore (including interest component: ₹ 104.26 crore) and considered for adjustment (recovery) of the same during the next year (2022-23). The Company, however, did not create corresponding 'Regulatory Assets' by crediting the 'Profit and Loss

[47] Assam Medical Services Corporation Limited forwarded three Accounts (2019-20, 2020-21 and 2021-22) for which NRC was issued for the year 2020-21 and 2021-22. Similarly, Assam Hydro-Carbon and Energy Company Limited forwarded two Accounts (2021-22 and 2022-23) for which NRC was issued for the year 2021-22. Further, NRC was issued for one Accounts each of Assam Trade Promotion Organisation (2021-22) and Fertichem Limited (2021-22).

[48] Assam Gas Company Limited and Assam Mineral Development Corporation Limited.

Sl. No.	Name of SPSEs	Comment
		Accounts' in the current accounts (2021-22) as per the 'Guidance Note on Accounting for Rate Regulated Activities issued by ICAI'. This has resulted in understatement of 'Profit for the year' and understatement of 'Regulatory Assets' by ₹ 535.44 crore each (excluding the interest component of ₹ 26.03 crore pertaining to 2022-23) respectively.
3	Assam Petro-Chemicals Limited (FY 2022-23)	Refer 'Notes forming part of the financial statements" (***Notes-34.7***) regarding allotment of land (non-monetary grant) (fair market value: ₹ 7.36 crore) by the State Government in Bongaigaon, Assam for setting up of Industrial/200 TPD Formalin Plant (TPD Plant) and accounting of the said land in accordance with the provisions of Ind AS 20 (Government Grants). While the TPD Plant was under construction as on 31 March 2023, the Company estimated the 'construction period' and 'useful life' of the TPD Plant as 2 years and 25 years respectively. As per Ind AS 20 (*refer paragraphs 24 and 26*), the Government Grants related to Assets (including non-monetary grants at fair value), shall be recognised as 'Deferred Income' and the same shall be recognised in profit or loss on a systematic basis *over the useful life of the asset*. As such, the Company was required to book the Grant (fair value of Land) as 'Deferred Income' in the Balance Sheet (Liabilities side) and after commissioning of the TPD Plant, the Company should start recognising the said Grant (Deferred Income) as 'Income' in Profit and Loss Account on a systematic basis, over the useful life of the TPD Plant (25 years). The Company, however, started recognising (crediting) Grant (Deferred Income) as 'Income' to the extent of ₹ 0.27 crore (being the 1/27th part of ₹ 7.36 crore) in the Profit and Loss Account under 'Other Non-operating Income' (Note-25) from the accounting year 2020-21 by debiting 'Other Non-Current Liabilities', despite the project still pending commissioning. This has resulted in understatement of 'Loss for the year' by ₹ 0.27 crore with corresponding understatement of 'Accumulated loss (Other Equity-Note-16)' and 'Other Non-Current Liabilities' by ₹ 0.81 crore each.
4	Assam Industrial Development Corporation Limited (FY 2020-21)	The Company invested in 1,09,28,423 equity shares of ₹ 10 each in Calcom Cement Limited. As on the Balance Sheet date the book value of each equity share of ₹ 10 in Calcom Cement Limited was ₹ 6.59 with diminution of ₹ 3.41 per share. However as against total diminution of ₹ 3.73 crore (1,09,28,423 x ₹ 3.41 per share) the company has made provision of ₹ 1.63 crore only for loss of investment. This has resulted in understatement of 'Loss for the year' and overstatement of 'Non-current Investment' by ₹ 2.10 crore each
5	Assam Fisheries Development Corporation Limited (FY 2020-21)	During the year 2020-21, the Company transferred work advance of ₹ 2.26 crore directly to the personal accounts of nine of its employees/officers towards execution of the AFDC Beel Development Scheme 2020-21. The work advances were subject to adjustment after submission of necessary vouchers or bills by the employees/officers. The Company, however, instead of booking the above payments under 'Short Term Loans and Advances (Note-11)' as 'Advance against AFDC Beel Development Scheme', charged the same to revenue under 'Other Expenses (Note-17)' by creating corresponding provisions for liabilities under 'Long Term Provisions (Note-4)'. This has resulted in overstatement of 'Other Expenses (Note-17)' and 'Long Term Provisions' by ₹ 2.26 crore each with corresponding understatement of 'Short Term

Sl. No.	Name of SPSEs	Comment
		Loans and Advances' and 'Profit for the year' to that extent.

Table 1.2.5: Comments on Financial Position

Sl. No.	Name of SPSEs	Comment
1	Assam Power Generation Corporation Limited (FY 2022-23)	*Regulation 48.1* of the Assam Electricity Regulatory Commission (Terms and Conditions for determination of Multi Year Tariff) Regulations 2021 stipulates that the Normative Annual Plant Availability Factor (NAPAF) for full recovery of Annual Fixed Charges (AFC) from the Consumer (APDCL) shall be minimum 85 *per cent* for Namrup Replacement Power Project (NRPP). *Regulation 52.1(b)* of the above Regulations further provides that recovery of AFC below the level of NAPAF shall be on *pro rata* basis. The AERC, while approving Generation tariff for the financial year 2022-23, allowed AFC of ₹ 148.68 crore for NRPP considering NAPAF of 85 *per cent*. The Company recovered ₹ 148.68 crore (as AFC of NRPP) from APDCL for the financial year 2022-23 but it could achieve Plant Availability Factor (PAF) of 52.99 *per cent* only, which was below the prescribed NAPAF (85 *per cent*). However, it did not provide for the AFC refundable to APDCL due to under-achievement of PAF. This has resulted in understatement of Current Liabilities and overstatement of Profit for the year by ₹ 47.59 crore[49] each.
2	Assam Power Distribution Company Limited (FY 2021-22)	The Company did not book ₹ 82.83 crore, being the assets created out of the consumers' contribution during the year 2021-22. This resulted in understatement of 'Property, Plant and Equipment' with corresponding understatement of 'Deferred Government Grants, Subsidies and Consumer Contribution (Note-15)' to the same extent.

1.2.10 Management Letters

One of the objectives of financial audit is to establish communication between the auditor and those charged with the responsibility of governance of the corporate entity on audit matters arising from the audit of the financial statements.

The material observations on the financial statements of Government Companies were reported in the form of 'comments on accounts' by the CAG under Section 143(5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process were also communicated to the management separately through 'Management Letter' for taking corrective action. These deficiencies generally related to:

a. application and interpretation of accounting policies and practices;

b. adjustments arising out of audit observations that could have a significant effect on the financial statements; and

c. inadequate or non-disclosure of certain information on which Management of the concerned company provided assurances that corrective action would be taken in the subsequent year.

[49] ₹ 148.68 crore x (85 - 52.99) *per cent* = ₹ 47.59 crore

As per latest finalised accounts as on 30 September of respective years, 'Management Letters' were issued[50] to five Government companies as shown in ***Table 1.2.6***.

Table 1.2.6: List of SPSEs where Management Letters were issued

Sl. No.	Name of SPSEs	Year of accounts
1	AMTRON Informatics (India) Ltd.	2017-18
2	Purba Bharti Gas Private Ltd.	2022-23
3	Assam Seeds Corporation Ltd.	2018-19
4	Assam Fisheries Development Corporation Ltd.	2020-21
5	DNP Ltd.	2022-23

[50] Issued during the years 2022-23 and 2023-24.

Section 3: Corporate Governance

1.3.1 Introduction

The Companies Act, 2013 was notified on 29 August 2013 replacing the Companies Act, 1956. In addition, the Ministry of Corporate Affairs also notified Companies Rules, 2014 on Management and Administration, Appointment and Qualification of Directors, Meetings of Board and its powers and Accounts. The Companies Act, 2013 together with Companies Rules provide a robust framework for Corporate Governance. The requirement *inter alia* provides for:

- matter regarding composition of the Board of Directors (BoD), qualification, remuneration, retirements of directors, frequencies of meetings of BoD, *etc*.
- constitution of various committees like, Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, *etc.* in the case of the Listed Companies as well as companies meeting specified financial criteria.
- appointment of special categories of directors *viz.* independent directors, nominee director, *etc*.

1.3.2 Guidelines on Corporate Governance

In addition to provisions contained in Companies Act, 2013, the Security and Exchange Board of India (SEBI) notified[51] (2 September 2015) the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. These Regulations are applicable to the Listed Companies. At present, no Company in Assam has been listed on the stock exchanges and hence, the provisions of the Regulation and Listed Agreements are not applicable for the purpose of this Report.

Public Enterprises Department, Government of Assam issued (September 2011) 'Code of Conduct' for Directors and Senior Management of the SPSEs followed by Guidelines on Corporate Governance in 2012-13. Both these guidelines were issued while the Companies Act, 1956 was in force. After enactment of the Companies Act 2013, the Code and the Guidelines were not modified.

1.3.3 Exemption allowed to Government Companies

GoI under Section 462 of Companies Act, 2013 may in public interest either exempt or modify certain provisions of the Act in respect of specified class or classes of companies. GoI issued (5 June 2015) notification regarding exemption, modification and adoption of various provisions of the Companies Act in respect of Government Companies. The notification, among others, covered provisions relating to appointment, retirement, remuneration of directors, committees of directors, related

[51] SEBI LODR Regulation was amended on 22 December 2015, 25 May 2016, 8 July 2016, 4 January 2017, 15 February 2017 and as modified from time to time.

party transactions *etc*. These exemptions, modifications and adoptions were considered while assessing status of Corporate Governance in SPSEs.

1.3.4 Coverage of SPSEs for Corporate Governance

While assessing the status of compliance to the principle of Corporate Governance, the SPSEs established under an Act other than Companies Act[52] have been excluded from the review. Further, non-working companies which operate only with skeleton management structure have also been excluded from audit scrutiny as they were not expected to comply with these provisions. Further, certain provisions of Corporate Governance related rules, guidelines, *etc*. were limited to companies fulfilling prescribed financial criteria. As information/documents on Corporate Governance related compliance by companies were not in public domain, the required information was called from working companies to assess the status of compliance to the principle of Corporate Governance by these companies. Out of 33 working companies in the State, the required information was furnished by 32 companies. Thus, this section basically covered these 32 companies[53] for general provisions of Corporate Governance while for provisions requiring fulfilment of prescribed financial criteria, the assessment was done against specified number of companies.

1.3.5 Summarised provisions on Corporate Governance

Table 1.3.1 depicts the summarised position of important provisions on Corporate Governance related issues as applicable to Government companies.

Table 1.3.1: Provisions of Corporate Governance

Sl. No.	Particulars	Components
1	Interested parties	• Stakeholders
2	Structural requirement	• Board of Directors • Audit Committee • Corporate Social Responsibility Committee (CSR Committee) • Nomination and Remuneration Committee • Shareholders Relationship Committee • Independent Directors • Women Directors
3	Functional requirement	• Attendance • Frequency of meetings • Code of conduct, training of Directors
4	Factors limiting application of Corporate Governance	• 27 Government companies are Private Limited Companies. • All the 48 Government companies are unlisted companies. • Smaller size companies. • 16 Government companies are non-working. • Exemption allowed to Government companies.

[52] Companies Act, 1956 and Companies Act, 2013

[53] Excluding Assam Minorities Development and Finance Corporation Limited.

1.3.6 Board of Directors

1.3.6.1 Formation and Role of Board of Directors

Section 149 of Companies Act, 2013 (Act) provides that every company shall have Board of Directors and prescribes the minimum and maximum number of directors. Further, as per Section 179, the Board shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorised to exercise and do.

Out of 33 working companies, 29 companies[54], which furnished the information, had complied with the provision relating to the minimum and maximum number of directors.

1.3.6.2 Meeting of the Board of Directors

As per Section 173(1) of Companies Act, 2013, a company was required to hold a minimum number of four meetings of its Board every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board. In case of Section 8 company[55], gap of six calendar months is allowed between two meetings of the Board[56].

Out of 32 working companies which furnished the required information[57], 10 companies[58] were able to hold the minimum required number of Board meetings each year during 2018-19 to 2022-23. Of the remaining 22 companies, 7 companies could not hold the prescribed number of meetings in any of the five years. ***Table 1.3.2*** depicts the summarised position outlining the status of the Board meetings.

Table 1.3.2: Position of Board meeting by working companies

Sl. No.	Name of Companies	Number of Board meetings held				
		2018-19	2019-20	2020-21	2021-22	2022-23
1	Assam Power Generation Corporation Ltd.	7	8	4	5	10
2	Assam Electricity Grid Corporation Ltd.	7	6	4	4	8
3	Assam Power Distribution Company Ltd.	8	7	4	8	10
4	Assam Seeds Corporation Ltd.	1	1	1	3	3
5	Assam Fisheries Development Corporation Ltd.	2	2	2	3	4
6	Assam Livestock and Poultry Corporation Ltd.	3	5	2	1	1
7	Assam Tea Corporation Ltd.	4	4	2	4	2
8	Assam Plantation Crop Development Corporation Ltd.	2	3	1	0	2
9	Assam Food and Civil Supplies Corporation Ltd.	3	4	4	9	3

[54] Excluding SPSEs at Sl. No. B5, B12, B13 and B26 of ***Appendix 3.***

[55] A company registered as a Non-Profit Organization (NPO) with the objectives of promoting commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object and intends to apply its profits (if any) or other income in promoting its objectives.

[56] As per Gazette (extraordinary) No. 375 issued by Government of India on 5 June 2015.

[57] Assam Minorities Development and Finance Corporation Limited did not furnish the required information.

[58] SPSEs at Sl. No. A1, A2, A3, B17, B20, B21, B24, B29, B30 and B32 of ***Appendix 3*** (including Assam Trade Promotion Organisation, a Section 8 company, which is permitted to hold two Board meetings with a gap of six calendar months).

Sl. No.	Name of Companies	Number of Board meetings held				
		2018-19	2019-20	2020-21	2021-22	2022-23
10	Assam Plains Tribes Development Corporation Ltd.	4	3	2	2	2
11	Assam State Development Corporation for Other Backward Classes Ltd.	0	1	2	2	4
12	Assam State Development Corporation for Scheduled Castes Ltd.	0	1	4	2	1
13	Assam State Film (Finance & Development) Corporation Ltd.	3	3	2	2	2
14	Assam Hills Small Industries Development Corporation Ltd.	1	3	1	1	2
15	Assam Industrial Development Corporation Ltd.	6	4	3	6	4
16	Assam Small Industries Development Corporation Ltd.	5	3	2	2	2
17	Assam Electronics Development Corporation Ltd.	7	4	6	4	6
18	Assam Mineral Development Corporation Ltd.	5	6	6	4	3
19	Assam Police Housing Corporation Ltd.	5	4	2	3	4
20	Assam Trade Promotion Organisation	2	3	2	3	3
21	Assam Petro-Chemicals Ltd.	11	6	5	9	8
22	Ashok Paper Mill (Assam) Ltd.	3	1	2	1	2
23	Assam Hydro-Carbon and Energy Company Ltd.	3	4	3	4	3
24	Amtron Informatics (India) Ltd.	4	6	4	4	4
25	Assam State Fertilizers and Chemicals Ltd.	5	4	3	4	0
26	Assam Tourism Development Corporation Ltd.	1	1	0	1	4
27	Assam Government Marketing Corporation Ltd.	2	2	3	2	2
28	Assam State Text Book Production and Publication Corporation Ltd.	0	1	1	1	1
29	Assam Gas Company Ltd.	7	10	6	7	8
30	DNP Ltd.	10	6	7	8	10
31	Purba Bharti Gas Private Ltd.	Not incorporated	2	7	6	6
32	Assam Medical Services Corporation Ltd.	No information received				4

Source: Information furnished by the companies

During 2018-19 to 2022-23, as against permissible gap of 120 days between two Board meetings, 27 companies (Sl. No. 1 to 27 of ***Table 1.3.3***) held as many as 115 meetings with intervening period ranging from 121 to 1,349 days. Similarly, during 2018-19 to 2022-23, there was gap of 235 to 320 days in holding three meetings by Assam Trade Promotion Organisation[59] against permissible gap of six months. ***Table 1.3.3*** depicts the summarised position of the companies, which organised their Board meetings beyond the permissible intervening periods during 2018-19 to 2022-23. **Table 1.3.3**: **Summarised range of gap between two Board meetings which are beyond 120 days**

Sl. No.	Name of Companies	No. of meetings	Gap between two meetings (days)
1	Amtron Informatics (India) Ltd.	1	141
2	Ashok Paper Mill (Assam) Ltd.	8	140 to 433

[59] Being a Section 8 company.

Sl. No.	Name of Companies	No. of meetings	Gap between two meetings (days)
3	Assam Electricity Grid Corporation Ltd.	2	156 to 163
4	Assam Electronics Development Corporation Ltd.	2	141 to 177
5	Assam Fisheries Development Corporation Ltd.	5	171 to 371
6	Assam Food & Civil Supplies Corporation Ltd.	6	124 to 169
7	Assam Government Marketing Corporation Ltd.	8	122 to 272
8	Assam Hills Small Industries Development Corporation Ltd.	7	157 to 388
9	Assam Hydro-Carbon and Energy Company Ltd.	5	133 to 173
10	Assam Industrial Development Corporation Ltd.	1	165
11	Assam Livestock and Poultry Corporation Ltd.	4	154 to 530
12	Assam Mineral Development Corporation Ltd.	2	121 to 159
13	Assam Petro-Chemicals Ltd.	1	145
14	Assam Plains Tribes Development Corporation Ltd.	6	125 to 350
15	Assam Plantation Crop Development Corporation Ltd.	6	145 to 467
16	Assam Police Housing Corporation Ltd.	3	152 to 224
17	Assam Power Distribution Company Ltd.	1	151
18	Assam Power Generation Corporation Ltd.	1	173
19	Assam Seeds Corporation Ltd.	5	154 to 448
20	Assam Small Industries Development Corporation Ltd.	6	127 to 229
21	Assam State Development Corporation for Other Backward Classes Ltd.	7	145 to 617
22	Assam State Development Corporation for Scheduled Castes Ltd.	4	146 to 1349
23	Assam State Fertilizers and Chemicals Ltd.	1	178
24	Assam State Film (Finance & Development) Corporation Ltd.	9	124 to 287
25	Assam State Text Book Production and Publication Corporation Ltd.	4	281 to 605
26	Assam Tea Corporation Ltd.	4	129 to 187
27	Assam Tourism Development Corporation Ltd.	6	122 to 502
28	Assam Trade Promotion Organisation	3	235 to 320
Total		**118**	

Source: Information furnished by the companies

1.3.7 Independent Directors

1.3.7.1 Role of Independent Directors

As per Section 149(6) of the Act, an Independent Director is a Director other than a Managing Director or a Whole Time Director or a nominee Director, who in the opinion of the Board, is a person of integrity and possess relevant expertise and experience. The Independent Directors help in bringing an independent judgment to bear on the Board's deliberations especially on the issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

1.3.7.2 Number of Independent Directors

As per Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, public companies having paid up share capital of ₹ 10 crore or more; turnover of ₹ 100 crore or more and aggregate outstanding loans, debentures and deposits, exceeding ₹ 50 crore shall have at least two directors as Independent Directors.

Based on financial criteria mentioned above, seven working companies[60] were required to have independent directors on the Board. Three out of these seven companies either did not have any Independent Director on their Board or had lesser number of Independent Directors than the statutory requirement as per details given in ***Table 1.3.4.***

Table 1.3.4: Position of Independent Director

Sl. No.	Name of Companies	Strength of the Board	Number of Independent Directors	
			Required	Actual
1	Assam Hydro-Carbon and Energy Company Ltd.	6	2	Nil
2	Assam Tea Corporation Ltd.	10	2	Nil
3	Assam Food & Civil Supplies Corporation Ltd.	8	2	1

Source: Information furnished by the companies

1.3.7.3 Separate meetings of Independent Directors

As per the Code for Independent Directors prescribed under Schedule IV of Companies Act, 2013, the Independent Directors of a company were required to hold at least one meeting in a year, without the attendance of non-independent directors and members of management.

Table 1.3.5 depicts the summarised position of the separate meetings of Independent Directors during 2022-23.

Table 1.3.5: Position of compliance to code of conduct of Independent Directors

Sl. No.	Name of Companies	Independent Directors	
		Number	Separate meetings
1	Assam Electricity Grid Corporation Ltd.	3	No separate meeting
2	Assam Power Distribution Company Ltd.	3	One separate meeting held
3	Assam Petro-Chemicals Ltd.	2	No separate meeting
4	Assam Power Generation Corporation Ltd.	2	One separate meeting held

Source: Information furnished by the companies

Out of four[61] companies where Independent Directors were appointed as per requirement of the Act, separate meeting of Independent Directors was not organised by two companies[62] during 2022-23. One Independent Director of Assam Petro-Chemicals Limited resigned during June 2022 and thereafter the Board comprises of only one ID. Further, Assam Food and Civil Supplies Corporation Limited also had only one ID as on 31 March 2023. As such, no separate meeting was feasible as there was only one Independent Director on the Board in the two SPSEs. Reasons for non-conduct of separate meeting for IDs of Assam Electricity Grid Corporation Limited was not furnished to Audit.

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[60] Electricity Grid Corporation Limited, Assam Power Distribution Company Limited, Assam Petro-Chemicals Limited, Assam Power Generation Corporation Limited, Assam Hydro-Carbon and Energy Company Limited, Assam Tea Corporation Limited and Assam Food and Civil Supplies Corporation Limited.

[61] Excluding Assam Food and Civil Supplies Corporation Limited where only one ID was appointed.

[62] Assam Petro-Chemicals Limited and Assam Electricity Grid Corporation Limited.

1.3.7.4 Appointment of Woman Director

As per Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014, other than listed companies, every public company having paid-up share capital of ₹ 100 crore or more; or turnover of ₹ 300 crore or more shall appoint at least one woman director on its Board.

Based on the criteria mentioned above, five Companies[63] were required to have Women Directors on their Board. Three[64] out of these five companies, however, complied with the above requirement. In addition, 9 companies voluntarily appointed Women Directors on their Board although these companies were not legally required to do so. This indicated compliance with the statutory provisions and the spirit of gender sensitisation in these companies.

1.3.8 Committees of BoD

1.3.8.1 Audit committee

As per Rule 6 of Companies (Meeting of Board and its Power) Rules, 2014, other than listed companies, all public companies having paid-up capital of ₹ 10 crore or more; turnover of ₹ 100 crore or more; and outstanding loans or borrowings or debentures or deposits exceeding ₹ 50 crore or more as per last audited Financial Statements were required to constitute an Audit Committee. Further, as per Section 177 of Companies Act, 2013, the Audit Committee shall consist of a minimum of three directors with independent directors forming a majority.

Based on the criteria mentioned above, out of eight companies which were required to constitute an Audit Committee, five companies formed Audit Committees during 2022-23 as shown in ***Table 1.3.6.***

Table 1.3.6: Status of formation of Audit Committee during 2021-22

Sl. No.	Name of Companies	Number of member of Audit Committee (AC)	No. of Independent Directors in AC		Criteria applied
			Required	Actual	
1	Assam Power Distribution Company Ltd.	3	2	3	Loan, Share capital and Turnover
2	Assam Electricity Grid Corporation Ltd.	4	3	3	Loan, Share capital and Turnover
3	Assam Power Generation Corporation Ltd.	3	2	3	Loan, Share capital and Turnover
4	Assam Petro-Chemicals Ltd.	5	3	1	Loan, Share capital and Turnover
5	Assam Hydro-Carbon and Energy Company Ltd.	Not Formed	2	--	Share capital
6	Assam Tea Corporation Ltd.	Not Formed	2	--	Loan and Share Capital

[63] Assam Power Distribution Company Limited, Assam Electricity Grid Corporation Limited, Assam Power Generation Corporation Limited, DNP Limited and Assam Petro-Chemicals Limited.

[64] Assam Electricity Grid Corporation Limited, Assam Power Generation Corporation Limited and Assam Petro-Chemicals Limited

Sl. No.	Name of Companies	Number of member of Audit Committee (AC)	No. of Independent Directors in AC		Criteria applied
			Required	Actual	
7	Assam Food & Civil Supplies Corporation Ltd.	3	2	1	Share capital
8	Assam Trade Promotion Organisation	Not Formed	--[65]	--	Share capital

Source: Information furnished by the companies

As can be seen from ***Table 1.3.6***, all three power sector companies[66] complied with provisions relating to formation and composition of Independent Directors in the Audit Committee. Further, three private limited companies/Joint Ventures[67] which were under no legal obligation to constitute Audit Committee also formed Audit Committees during 2022-23, indicating a commitment to good Corporate Governance on their part.

1.3.8.2 Nomination and Remuneration Committee

As per Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, other than listed companies, all public companies having paid up capital of ₹ 10 crore or more; turnover ₹ 100 crore or more; and outstanding loans or borrowings or debentures or deposits exceeding ₹ 50 crore or more as per last audited Financial Statements were required to constitute Nomination and Remuneration (N&R) Committee. Further, as per Section 178(1) of Companies Act, 2013, the N&R Committee was to consist of three or more non-executive directors out of which not less than one-half shall be Independent Directors.

Out of eight companies covered under the above criteria, three companies did not constitute the Committee during 2022-23, as shown in ***Table 1.3.7***.

Table 1.3.7: Position of constitution of Remuneration Committee

Sl. No.	Name of Companies	Criteria applied	No. of members
1	Assam Power Distribution Company Ltd.	Loan, Share capital, Turnover	3
2	Assam Electricity Grid Corporation Ltd.	Loan, Share capital, Turnover	3
3	Assam Power Generation Corporation Ltd.	Loan, Share capital, Turnover	4
4	DNP Ltd.	Share capital, Turnover	3
5	Assam Hydro-Carbon and Energy Company Ltd.	Share capital	Not formed
6	Assam Petro-Chemicals Ltd.	Loan, Share capital, Turnover	3
7	Assam Tea Corporation Ltd.	Loan, Share capital	Not formed
8	Assam Food & Civil Supplies Corporation Ltd.	Share capital	Not formed

Source: Information furnished by the companies

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[65] Being a Section 8 company, the provision of independent director not applicable on Assam Trade Promotion Organisation.

[66] Assam Power Distribution Company Limited, Assam Electricity Grid Corporation Limited, Assam Power Generation Corporation Limited.

[67] Assam Gas Company Limited (Private Limited Company), Assam Industrial Development Corporation Limited (Private Limited Company) and DNP Limited (Private Limited/Joint Venture Company).

Further, one company *viz*. Assam Gas Company Limited, being a private limited Company and not required to constitute the above committee, had voluntarily formed the Committee comprising of two members.

1.3.8.3 Stakeholders Relationship Committee

As per Section 178(5) of the Act, the Board of a company which consists of more than 1,000 shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee consisting of a Chairperson who shall be a non-executive Director and such other members as may be decided by the Board.

Based on the criteria mentioned, none of the companies were required to constitute the Stakeholders Relationship Committee. One company (Assam Petro-Chemicals Limited) although not covered under the above provisions voluntarily constituted Stakeholders Relationship Committee to look after grievances of its 282 shareholders.

1.3.9 Other statutory requirements

1.3.9.1 Annual Return

As per Section 92 of the Act, every company shall prepare an Annual Return in the prescribed form containing particulars as they stood at the close of the financial year, containing various information on the prescribed matters in the Act. An extract of the Annual Return in such form as may be prescribed shall form part of the Board's Report. A copy of Annual Return is required to be filed with the Registrar of Companies (RoC) within 60 days from the date on which the Annual General Meeting (AGM) was held or where no AGM was held in any year, within 60 days from the date on which the AGM meeting should have been held, together with the statement specifying the reasons for not holding the AGM, with such fees or additional fees as may be prescribed.

As per information furnished[68] by 30 out of 33 working companies, 5 companies[69] filed Annual Return for the year 2022-23. In case of remaining 25 companies, there was pendency of 1 to 19 years in filing of Annual Returns as detailed in ***Table 1.3.8***.

Table 1.3.8: Position of pendency in filing of Annual return by working companies

Sl. No.	Name of Companies	Annual Returns	
		Filed up to	Pendency (years)
1	Assam Trade Promotion Organisation	2021-22	1
2	Assam Power Generation Corporation Ltd.	2021-22	1
3	Assam Food & Civil Supplies Corporation Ltd.	2021-22	1
4	Assam Electronics Development Corporation Ltd.	2021-22	1
5	Assam Mineral Development Corporation Ltd.	2020-21	2

[68] Three SPSEs (Assam Plantation Crops Development Corporation Limited, Assam Minorities Development and Finance Corporation Limited and Assam Medical Services Corporation Limited) did not provide information on actual date of filing of Annual return.

[69] Assam Electricity Grid Corporation Limited, Assam Petro-Chemicals Limited, Assam Gas Company Limited, DNP Limited and Purba Bharati Gas Private Limited.

Sl. No.	Name of Companies	Annual Returns	
		Filed up to	Pendency (years)
6	Ashok Paper Mill (Assam) Ltd.	2021-22	1
7	Assam Plains Tribes Development Corporation Ltd.	2019-20	3
8	Amtron Informatics (India) Ltd.	2021-22	1
9	Assam Power Distribution Company Ltd.	2021-22	1
10	Assam State Development Corporation for Other Backward Classes Ltd.	2021-22	1
11	Assam State Development Corporation for Scheduled Castes Ltd.	2019-20	3
12	Assam State Film (Finance & Development) Corporation Ltd.	2021-22	1
13	Assam Hydro-Carbon and Energy Company Ltd.	2021-22	1
14	Assam State Fertilizers and Chemicals Ltd.	2019-20	3
15	Assam Tourism Development Corporation Ltd.	2021-22	1
16	Assam Police Housing Corporation Ltd.	2021-22	1
17	Assam Small Industries Development Corporation Ltd.	2018-19	4
18	Assam Tea Corporation Ltd.	2017-18	5
19	Assam Livestock and Poultry Corporation Ltd.	2016-17	6
20	Assam Fisheries Development Corporation Ltd.	2015-16	7
21	Assam Seeds Corporation Ltd.	2019-20	3
22	Assam Hills Small Industries Development Corporation Ltd.	2008-09	14
23	Assam Industrial Development Corporation Ltd.	2021-22	1
24	Assam Government Marketing Corporation Ltd.	2008-09	14
25	Assam State Text Book Production and Publication Corporation Ltd.	2003-04	19

Source: Information furnished by SPSEs

Further, 21 companies filed their Annual Returns belatedly on 89 occasions with a delay ranging from 18 to 1,532 days[70] than the prescribed timeline as detailed in ***Table 1.3.9.***

Table 1.3.9: Range of delays in filing of Annual return by companies

Sl. No.	Name of Companies	Latest return	No. of returns filed belatedly	Range of delay (in days)
1	Amtron Informatics (India) Ltd.	2021-22	4	119 to 254
2	Ashok Paper Mill (Assam) Ltd.	2021-22	5	25 to 761
3	Assam Electricity Grid Corporation Ltd.	2022-23	5	26 to 881
4	Assam Electronics Development Corporation Ltd.	2021-22	7	125 to 248
5	Assam Food & Civil Supplies Corporation Ltd.	2021-22	7	48 to 1,476
6	Assam Gas Company Ltd.	2022-23	1	27
7	Assam Hydro-Carbon and Energy Company Ltd.	2021-22	5	28 to 144
8	Assam Livestock and Poultry Corporation Ltd.	2016-17	1	1384 to 1384
9	Assam Mineral Development Corporation Ltd.	2020-21	4	27 to 204
10	Assam Plains Tribes Development Corporation Ltd.	2019-20	5	144 to 1,298
11	Assam Police Housing Corporation Ltd.	2021-22	5	82 to 1127
12	Assam Power Distribution Company Ltd.	2021-22	6	28 to 154

[70] Assam Small Industries Development Corporation Limited filed the annual return for 2015-16 on 9 February 2021 against due date of 30 November 2016.

Sl. No.	Name of Companies	Latest return	No. of returns filed belatedly	Range of delay (in days)
13	Assam Power Generation Corporation Ltd.	2021-22	5	27 to 368
14	Assam Small Industries Development Corporation Ltd.	2018-19	5	81 to 1,532
15	Assam State Development Corporation for Other Backward Classes Ltd.	2021-22	4	245 to 1,399
16	Assam State Fertilizers and Chemicals Ltd.	2019-20	5	121 to 849
17	Assam Tea Corporation Ltd.	2017-18	1	305 to 305
18	Assam Tourism Development Corporation Ltd.	2021-22	6	118 to 1,477
19	Assam Trade Promotion Organisation	2021-22	5	75 to 1,177
20	DNP Ltd.	2022-23	1	20
21	Purba Bharati Gas Private Ltd.	2022-23	2	18 to 54
			89	

Source: Information furnished by the companies

1.3.9.2 Annual General Meeting

As per Section 96 of the Act, every company other than a one person company shall hold its annual general meeting (AGM) each year, within six months[71] from the date of closing of the financial year, The gap between two AGMs should not be more than fifteen months. This means AGM should be conducted by 30 September following the close of the financial year concerned unless an extension is granted by RoC.

As discussed under ***paragraph 1.2.4*** *supra,* 26 out of 33 working companies had arrears of 187 accounts with pendency ranging from one to 30 years. These companies held the AGMs but undertook business/agenda items other than adoption of audited annual accounts and thereafter the AGMs were adjourned. Status of holding and conclusion of AGMs as submitted by 26 out of 33 working companies as on 30 September 2023 is given in ***Table 1.3.10.***

Table 1.3.10: Status of holding and conclusion of AGMs by working companies

Sl. No.	Name of working companies	Annual General Meetings	
		held up to	concluded up to
1	Assam Electricity Grid Corporation Ltd.	2021-22	2021-22
2	Assam Gas Company Ltd.	2022-23	2022-23
3	Assam Petrochemicals Ltd.	2022-23	2022-23
4	Assam Power Generation Corporation Ltd.	2021-22	2021-22
5	DNP Ltd.	2022-23	2022-23
6	Purba Bharati Gas Private Ltd.	2022-23	2022-23
7	Assam Hydro-Carbon and Energy Company Ltd.	2021-22	2021-22
8	Assam Livestock and Poultry Corporation Ltd.	2021-22	2017-18
9	Assam Plains Tribes Development Corporation Ltd.	2021-22	2020-21
10	Assam Power Distribution Company Ltd.	2021-22	2021-22
11	Assam Food & Civil Supplies Corporation Ltd.	2021-22	2018-19
12	Assam Industrial Development Corporation Ltd.	2022-23	2019-20
13	Assam State Development Corporation for Other Backward Classes Ltd.	2021-22	2020-21

[71] 9 months in case of 1st AGM.

Sl. No.	Name of working companies	Annual General Meetings	
		held up to	concluded up to
14	Assam Trade Promotion Organisation	2021-22	2021-22
15	Assam Tourism Development Corporation Ltd.	2020-21	2019-20
16	Assam State Film (Finance & Development) Corporation Ltd.	2021-22	2015-16
17	Ashok Paper Mill (Assam) Ltd.	2021-22	2015-16
18	Assam Mineral Development Corporation Ltd.	2021-22	2018-19
19	Assam Livestock and Poultry Corporation Ltd.	2020-21	2015-16
20	Assam Electronics Development Corporation Ltd.	2021-22	2013-14
21	Assam Police Housing Corporation Ltd.	2021-22	2015-16
22	Assam Seeds Corporation Ltd.	2022-23	2018-19
23	Assam Tea Corporation Ltd.	2021-22	2012-13
24	Assam State Fertilizers and Chemicals Ltd.	2021-22	2011-12
25	Assam Government Marketing Corporation Ltd.	2021-22	2017-18
26	Assam Hills Small Industries Development Corporation Ltd.	2019-20	2004-05

Source: Information furnished by the companies

As can be seen from ***Table 1.3.10***, out of 26 working companies who had organised AGMs, 6 companies[72] held AGM up to the financial year 2022-23, 17 companies organised AGM up to 2021-22, while the remaining 3 companies[73] organised AGM up to 2020-21. As regard the conclusion of AGMs, 4 working companies[74] having finalised their accounts for 2022-23 concluded the AGM for the year 2022-23, while remaining 22 companies concluded the AGMs for years between 2004-05 and 2021-22.

[72] Companies at Sl. No. 2, 3, 5, 6, 12 and 22 of ***Table 1.3.10***
[73] Companies at Sl. No. 15, 19 and 26 of ***Table 1.3.10***
[74] Companies at Sl. No. 2, 3, 5 and 6 of ***Table 1.3.10***

Section 4: Corporate Social Responsibility

1.4.1 Introduction

Section 135 and Schedule VII of Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 mandate and regulate the Corporate Social Responsibility (CSR) activities by companies. Section 135 of the Act further lays down the qualifying criteria based on net worth, turnover and net profit during any financial year for companies which were required to undertake CSR activities and *inter alia* specified the broad modalities of selection, implementation and monitoring of CSR activities by Board of Directors of the company concerned. The activities which may be included by companies in their CSR policies are listed in Schedule VII of the Act. The provisions of Section 135 of the Act and Schedule VII of the Act are applicable to all companies registered under the Act.

1.4.2 Coverage

As per Section 135 of the Act, every company having net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more, or net profit of ₹ 5 crore or more during any financial year shall constitute CSR committee of the Board, consisting of three or more directors, out of which at least one director should be an independent director.

As on 31 March 2023, there were 49 Government companies (33 working and 16 non-working) in the State. As the non-working companies stopped functioning, 33 working companies were considered for analysis. As per latest finalised accounts of 33 working companies, Section 135 was applicable to eight companies as detailed in ***Table 1.4.1***.

Table 1.4.1: Section 135 of Companies Act, 2013 applicable companies

Sl. No.	Name of Companies	Applicable criteria	Financial year when criteria was applicable to the Company
1	Assam Petro-Chemicals Ltd.	Net worth	2018-19 to 2022-23
2	Assam Power Distribution Company Ltd.	Turnover, net profit and net worth	2017-18 to 2021-22
3	Assam Electricity Grid Corporation Ltd.	Net worth and net profit	2018-19 to 2022-23
4	Assam Gas Company Ltd.	Net worth	2018-19 to 2022-23
5	DNP Ltd.	Net profit	2018-19 to 2022-23
6	Assam Mineral Development Corporation Ltd.	Net profit	2016-17 to 2020-21
7	Assam Industrial Development Corporation Ltd.	Net profit	2017-18 to 2019-20
8	Assam Power Generation Corporation Ltd.	Turnover, net profit and net worth	2018-19 to 2022-23

Source: As per latest finalised accounts of the companies

1.4.3 Status of compliance of the provisions of CSR

1.4.3.1 Constitution of CSR Committee

Eight companies were required to constitute CSR committee as per requirement of the Act, as detailed in ***Table 1.4.2.***

Table 1.4.2: Details of Companies who are required to constitute CSR committee

Sl. No.	Name of Companies	No. of members of CSR Committee	No. of Independent members	
			Required[75]	Actual
1	Assam Power Distribution Company Ltd.	4	1	3
2	Assam Industrial Development Corporation Ltd.	3	Exempted	-
3	Assam Power Generation Corporation Ltd.	4	1	3
4	Assam Gas Company Ltd.	4	Exempted	1
5	DNP Ltd.	4	Exempted	-
6	Assam Petro-Chemicals Ltd.	3	1	1
7	Assam Mineral Development Corporation Ltd.	3	1	-
8	Assam Electricity Grid Corporation Ltd.	4	1	3

Source: Information furnished by companies

As can be seen from ***Table 1.4.2,*** all the eight working companies covered under provisions of Section 135 of the Act, constituted the CSR Committee. Regarding composition of CSR Committee, there was shortfall in appointment of 'Independent Directors' in case of one company (Assam Mineral Development Corporation Limited) while three companies, being Private Limited Companies/Joint Ventures, were exempted from the requirement of appointing minimum number of Independent Directors on CSR Committee.

1.4.3.2 Spending under CSR activities

The CSR committee was required to recommend the amount of expenditure to be incurred on eligible activities. As per section 135(5), a company is required to spend at least two *per cent* of average net profit made during three immediately preceding financial years on CSR activities. Based on the above criteria, five[76] out of eight companies were required to spend on CSR activities. The detailed status on CSR spending by these Companies as per their latest finalised accounts as on 30 September 2023 is given in ***Table 1.4.3***.

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[75] Provision of independent directors are not applicable to three Companies at Sl. No. 2, 4 and 5 of ***Table 1.4.2*** as these are either Private Limited Company or formed as JV Company.

[76] Excluding three power sector Companies (*viz.* Assam Electricity Grid Corporation Limited, Assam Power Development Company Limited and Assam Power Generation Corporation Limited), which suffered average net losses during previous three years.

Table 1.4.3: Details of CSR spending by Companies

Sl. No.	Name of the SPSEs	Latest applica-ble year	Avg. net profit for previous 3 years	Applicable amount	Previous shortfall in CSR activities	Set-off during current year	Approved amount	Amount Spent	Shortfall	Excess expenditure
			(₹ in crore)							
1	Assam Petro-Chemicals Ltd.	2022-23	6.35	0.13	-	-	0.13	0.18	-	0.05
2	Assam Gas Company Ltd.	2022-23	75.62	1.51	-	0.47	1.04	1.25	-	0.21
3	DNP Ltd.	2022-23	47.15	0.94	-	0.29	0.65	1.08	-	0.43
4	Assam Mineral Development Corporation Ltd.	2020-21	24.31	0.49	0.52	-	-	-	1.01	-
5	Assam Industrial Development Corporation Ltd.	2020-21	11.32	0.23	0.00	-	0.23	0.23	-	-
Total		**-**	**--**	**3.30**	**0.52**	**0.76**	**2.05**	**2.74**	**1.01**	**0.69**

As can be seen from ***Table 1.4.3***, out of five working companies which were required to spend on CSR activities, Assam Mineral Development Corporation Limited did not incur any expenditure on CSR resulting in a shortfall of ₹ 1.01 crore in mandatory CSR spending by this Company. There was also excess expenditure amounting to ₹ 0.69 crore incurred by three working companies on CSR activities.

CHAPTER-II
PERFORMANCE AUDIT RELATING TO STATE PUBLIC SECTOR ENTERPRISES

CHAPTER-II

PERFORMANCE AUDIT RELATING TO STATE PUBLIC SECTOR ENTERPRISES

Performance Audit on the Functioning of Assam Electronics Development Corporation Limited

Highlights

The Company did not have any specific short and long-term strategic planning to develop its business operation so as to derive advantage of changing business scenario in light of GoA's IT policy. It also did not have laid down strategies to reduce cost, operational losses and risks of losing current and new business and to give new direction for long term sustainability.

(Paragraph 2.7)

During 2017-18 to 2022-23, the Company earned ₹ 37.64 crore as profit from printing of Driving Licence/Registration Certificates (DL/RC), while it suffered a loss of ₹ 2.01 crore from other two commercial activities *viz.* internet services, training & education business). The Company, thus, made an overall profit of ₹ 35.63 crore from commercial activities during 2017-2023. The Company, however, lost the profitable business of printing of DL/RC in the tender invited (March 2022) by GoA due to high quote compared to L1 bidder and lack of aggressive tendering policy.

(Paragraphs 2.8 and 2.8.1)

The Company neither fixed target date nor tied up the source of funding for completion of Tech City project. As a result, the Company not only incurred extra liability of ₹ 2.81 crore towards penal interest but also resulted in blockade of ₹ 175.57 crore already invested, without achieving the objective of the project even after more than five years.

(Paragraphs 2.9.1 and 2.9.1.1)

Instances of under-utilisation of capacity, absence of dual power supply to server room, hosting of critical Government websites and applications outside SDC and compromising of data security by engaging a private agency were noticed in respect of SDC project. Thus, the SDC was yet to act as central repository of the State data even after two years of its commissioning.

(Paragraph 2.9.2.1)

Under e-District project, the Company failed to ensure timely delivery of e-services to 22.63 lakh (46.49 *per cent*) out of 48.67 lakh applicants due to deactivation of provision for escalation mail in violation of instructions issued by

GoI. Further, the Company could not complete data digitalisation work due to lack of strict monitoring to secure cooperation from district authorities in providing the essential amenities for the work (*viz.* office space, speedy transfer of records/registers, *etc*.). In absence of digitised database, none of the services could be provided "instantaneously" across the counter even after elapse of about seven years of state-wide rollout of e-District project in September 2015.

(Paragraphs 2.9.3.2 and 2.9.3.3)

Against actual expenditure of ₹ 51.43 crore (including agency commission of ₹ 2.45 crore) incurred for operation and maintenance of Assam State Wide Area Network (ASWAN), the Company received ₹ 39.55 crore from GoA. The balance amount of ₹ 11.88 crore was not received as of March 2023. Further, in 62 out of 287 points of presence (PoPs) which were non-functional (zero uptime), the Company incurred idle expenditure of ₹ 0.91 crore on deployment of manpower in 19 PoPs without analysing the reasons for zero uptime.

(Paragraph 2.9.4)

The Company did not have inbuilt mechanism to deal with the E-waste in compliance to the E-Waste (Management) Rules, 2016.

(Paragraph 2.10)

The monitoring mechanism in place for implementation/operation of projects, internal audit and preparation of annual accounts was found to be inadequate.

(Paragraph 2.11)

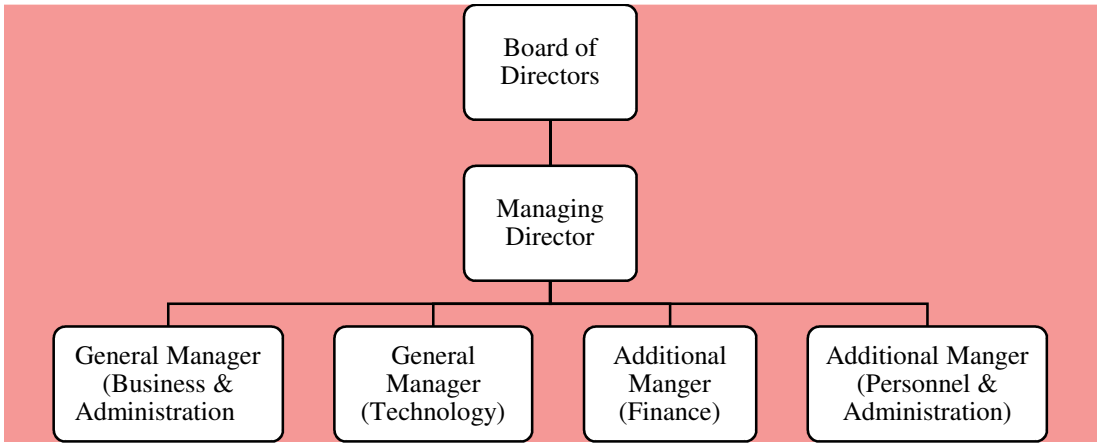
2.1 Introduction

Assam Electronics Development Corporation Limited (Company) was established in 1984 with the objective to develop, promote, undertake and execute Electronics, Information and Communication Technology (ICT) and allied industries in the State of Assam. Emphasising the role of ICT, Government of Assam (GoA) notified (August 2009) the Information Technology Policy of Assam, 2009 and nominated the Company as nodal agency for implementation of Information Technology policies in the State.

2.2 Organisational Setup

The Company functioned under Department of Information Technology, GoA. The Management of the Company was vested with Board of Directors consisting of eight members. The Managing Director was the Chief Executive Officer, who was responsible for carrying out day to day operations of the Company with the assistance of General Manager (Business and Administration), General Manager (Technology), Additional Manager (Finance), Additional Manager (Personnel and Administration) and others. ***Chart 2.1*** depicts the organisational structure of the Company as of June 2023.

Chart 2.1: Organisation chart of the Company as of June 2023



2.3 Audit Objectives

The objectives of the Performance Audit were to assess whether:

- long and short term planning mechanisms were effective in achieving the organisational goals;
- projects were executed efficiently, economically and effectively to achieve the project objectives and the trading and service delivery of IT and IT enabled products/services were done economically, effectively and efficiently;
- e-waste generated during the operation of the Company was disposed complying with the statutory requirements and the Company was well equipped with the facilities for monitoring and control of e-Waste; and
- efficient and effective monitoring mechanism was in place.

2.4 Audit Criteria

Audit criteria for the Performance Audit were derived from:

- Memorandum of Association/Articles of Association of the Company;
- Guidelines of Government of India (GoI)/GoA on implementation of various Projects;
- IT policies issued by the GoI/GoA, Assam Right to Public Service Act, 2012 and rules framed there under;
- Board Minutes/Agenda papers of meetings of BoDs; and
- e-Waste Management Rules of GoI.

2.5 Scope and Methodology of Audit

The Performance Audit (PA) covered the period from 2017-18 to 2022-23[77]. During the audit period, the Company carried out three commercial activities on its own, *viz.*, printing of Driving Licence/Registration Certificates (DL/RC), providing internet services under the brand name 'Magic Surf' and Education/Training business, for generation of revenue.

[77] Audit covered the period from 2017-18 to 2022-23, except the cases where the management could not furnish the figure/records pertaining to 2022-23.

The Company also implemented/operated four projects entrusted by GoA. These were:

- operation and maintenance of two infrastructure projects *viz.* e-District and Assam State Wide Area Network (ASWAN) completed prior to 2017-18.
- one GoI/GoA sponsored project, *namely*, State Data Centre (SDC) commissioned in 2021 and presently at operational stage.
- one GoI/GoA project (Tech City) which was in progress since 2017-18.

The PA covered all three commercial activities of the Company and also implementation, operation and maintenance of the above mentioned four projects entrusted by GoA.

Entry Conference was held on 23 August 2022, wherein audit objectives and audit methodology were explained to the Company. Audit methodology involved analysis of data/records with reference to audit criteria, scrutiny of records of the Company, interaction with Company officials, issue of audit queries, observations and obtaining replies and response of Management for further analysis. The draft report was forwarded (27 September 2023) to GoA/Company for their views and comments. The draft report was also discussed with the GoA/Company in the Exit conference held on 10 October 2023. While the GoA did not furnish formal replies on the draft report, the replies received from the Company as well as the comments offered by GoA/Company during the Exit conference had been considered and the draft report was suitably revised, wherever necessary. The revised draft report was again forwarded (5 April 2024) to GoA and Company for their further comments, if any. The GoA/Company, however, did not furnish any reply on the revised draft report (30 April 2024).

Audit Findings

Audit findings on the functioning of the Company are discussed in the subsequent paragraphs.

2.6 Financial position and working results

The financial position and working results of the Company during 2017-18 to 2021-22[78] were as shown in ***Table 2.1.***

Table 2.1: Financial Position and Working Results

(₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Financial position					
Share capital	9.46	9.46	9.46	9.46	9.46
Reserve & Surplus	14.98	23.31	29.65	380.44	391.80
Long Term Borrowing	--	--	--	--	100.70
Current liabilities (A)	**511.69**	**632.25**	**602.03**	**700.27**	**767.71**
Total Liabilities	**536.13**	**665.02**	**641.14**	**1,090.17**	**1,269.67**

[78] Figures for 2022-23 were not available as the Company had finalised its Annual Accounts upto 2017-18 and prepared the provisional Accounts for 2018-19 to 2021-22.

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Current / Fixed Assets	13.06	12.56	19.43	372.03	374.02
Current Assets (other than cash and bank balances)	**312.13**	**414.29**	**497.67**	**613.17**	**752.88**
Cash and Bank balances	210.94	238.17	124.04	104.97	142.77
Total Assets	**536.13**	**665.02**	**641.14**	**1,090.17**	**1,269.67**
Total Current Assets (B)	**523.07**	**652.46**	**621.71**	**718.14**	**895.65**
Working Capital (B)-(A)	**11.38**	**20.21**	**19.68**	**17.87**	**127.94**
Current Ratio (B)÷(A)	**1.02:1**	**1.03:1**	**1.03:1**	**1.03:1**	**1.17:1**
Working Results					
Revenue from operations	25.63	33.87	35.12	47.38	51.34
Interest income	5.19	5.17	4.60	2.80	0.83
Total Income	**30.82**	**39.04**	**39.72**	**50.18**	**52.17**
Employee benefit expenses	10.85	14.33	15.60	16.80	19.21
Other Expenses	20.75	22.56	21.70	29.73	30.66
Total Expenses	31.60	36.89	37.30	46.53	49.87
Net profit before prior period items and tax	(0.78)	2.15	2.42	3.65	2.30
Prior period Income/(Loss)	1.79	0.21	(0.40)	(0.85)	0.21
Other adjustments (Credit)[79]	1.34	--	--	--	--
Income tax (Debit)	0.30	0.90	0.50	0.70	0.60
Net profit after tax	**2.05**	**1.46**	**1.52**	**2.10**	**1.91**

Source: Annual Accounts of the Company.[80]

Audit observed the following:

- The Company earned net profit of ₹ 9.04 crore during 2017-2022, which included interest of ₹ 18.59 crore earned on investments. Thus, the Company had overall operational loss of ₹ 9.55 crore (₹ 18.59 crore - ₹ 9.04 crore) during the said period.

- The total income of the Company increased from ₹ 30.82 crore (2017-18) to ₹ 52.17 crore (2021-22), but the net profit decreased from ₹ 2.05 crore to ₹ 1.91 crore during the same period. This was mainly due to overall loss of ₹ 2.64 crore during 2017-2022 on the operation of two[81] commercial activities by the Company. The loss on two commercial activities was mainly attributable to reduction in consumer base due to lack of competitive tariff, poor recovery mechanism, high administrative cost, *etc*. as discussed in ***paragraphs 2.8.2*** and ***2.8.3***.

- Out of ₹ 376.82 crore[82] increase shown in the Reserves and Surplus of the Company during the five years period ending March 2022, major portion amounting to ₹ 353.52 crore (93.82 *per cent*) was mainly due to revaluation of its assets (land at office premises and at Tech City) from ₹ 4.01 crore (2017-18) to ₹ 357.53 crore (2020-21). Thus, increase in Reserve and Surplus was not from regular business operations of the Company.

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79 Figures for 2017-18 adjusted based on the accounting treatment adopted in succeeding year.
80 Figures for the financial year 2018-19 and onwards were based on provisional accounts.
81 Internet services (₹ 1.38 crore) and Education & Training (₹ 1.26 crore).
82 ₹ 391.80 crore in 2021-22 from ₹ 14.98 crore in 2017-18.

- Current Ratio represents the ability of an entity to pay off its short-term liabilities with the help of current assets. Generally, a current ratio of 2:1 is considered ideal, which means that the current assets of an entity must be twice the amount of current liabilities. As can be observed from ***Table 2.1***, the Current Ratio of the Company during 2017-2022 ranged between 1.02:1 (2017-18) and 1.17:1 (2021-22), which was far below the ideal ratio. This implied that the Company's liquidity position was not comfortable as it may need to convert its entire current assets into cash to pay off its current obligations, which was indicative of an unsatisfactory short-term solvency of the Company.

- Cash and Bank balances of the Company, which largely represent its liquidity position decreased from ₹ 210.94 crore (2017-18) to ₹ 142.77 crore (2021-22). Against the balance of ₹ 142.77 crore as of March 2022, the Company had committed current liabilities of ₹ 83.78 crore towards interest earned on project funds (₹ 35.61 crore) and refundable Earnest Money Deposit (₹ 48.17 crore). This implied that the effective liquidity available with the Company as on 31 March 2022 after considering the above committed current liabilities was ₹ 58.99 crore (*viz.* ₹ 142.77 crore *minus* ₹ 83.78 crore), which was insufficient to meet its other current obligations (other than ₹ 83.78 crore mentioned above) amounting to ₹ 683.93 crore as on 31 March 2022.

- The Company obtained (June-September 2021) a term loan of ₹ 100 crore from Bank of Maharashtra (BoM), with interest rate of 8.25 *per cent* per annum for financing the Tech City project. For servicing the interest portion of loan, the Company needed revenue surplus of atleast ₹ 8.25 crore each year from 2022-23 onwards. During 2017-2022, the Company, however, could generate annual revenue surplus between ₹ 1.46 crore and ₹ 2.10 crore, which was insufficient for loan servicing.

Given the present condition of operation, the Company's financial health is likely to further deteriorate if remedial measures are not initiated to pre-empt drastic increase in operational losses due to interest burden on the loan.

In reply, the Company stated (October 2023) that it had sufficient working capital to run its business. The reply is not tenable as the current ratio of the Company during all the five years (2017-18 to 2021-22) remained far below the idle level of 2:1, which indicated distressed liquidity position of the Company to pay off its current obligations.

2.7 Planning

Proper planning system assists in identifying activities to be undertaken to ensure achievement of the stated objectives of the company. It increases the efficiency and reduces the risk execution of projects and in conduct of the company's business and activities.

As per Memorandum of Association (MoA), the Company was incorporated with core objectives of promoting, establishing, developing Electronics and allied industries and ICT in the State. The Mission statement of the Company emphasised transparency in operation and development of ICT and promoting IT, ITeS[83] and Electronics industry.

Further, GoA notified the IT Policy, 2009 and IT & Electronic Policy Assam, 2017, which further emphasised development of IT sector by focusing on e-governance, broadband connectivity, rural digital literacy, development of infrastructure, IT Park, *etc*.

Audit, however, observed that the Company did not have any short term and long-term strategic plan to develop and enhance its business operation by translating into specific projects and to capture more areas by taking advantage of the changing business scenario in the light of the GoA's IT policy. Such planning would involve SWOT analysis[84] of the Company to leverage its strength and unique position as Government's nodal agency for IT policy amidst emerging business opportunities in the State. The Company also did not have laid down strategies to reduce cost, operational losses and risks of losing current and new business and to give new direction for long term sustainability. Lack of such planning has had an adverse impact on the effectiveness of the Company.

This was evident in the case involving the business of printing of driving licenses and registration certificates carried out since 2005, where the Company earned maximum revenue of ₹ 70.67 crore during 2017-2022, constituting 37 *per cent*[85] of total revenue. While participating in the bidding invited by GoA in March 2022, the Company lost this business due to lack of aggressive tendering policy, considering the high profit margin of ₹ 37.64 crore (53 *per cent*) earned during 2017-2022. The rate quoted (₹ 149.86 *per* card) by the Company was considerably higher than the rate quoted (₹ 66.94 *per* card) by the lowest bidder as discussed under ***paragraph 2.8.1***.

Other two commercial activities of the Company *i.e.,* internet services and education/training business were also running in losses during 2017-2022 mainly due to reduction in consumer base, lack of competitive tariff and poor recovery mechanism.

Further, there were no new projects from GoA besides the existing four major projects, of which ASWAN (2005-2011), e-District (2012-2015) and SDC (2008-2021) had already been completed by the Company and were in operation stage, while the Tech city project was ongoing since 2017-18.

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83 Information Technology enabled services.

84 SWOT analysis is a framework for identifying and analysing an organisation's strengths, weaknesses, opportunities and threats.

85 Total revenue from operation during 2017-2022: ₹ 193.34 crore. Revenue from DL/RC printing activity: ₹ 70.67 crore. Percentage of DL-RC revenue over total revenue= ₹ 70.67 crore x 100/ ₹ 193.34 crore = 37 *per cent.*

Audit also noticed several instances of time overrun, poor project management, delay in delivery of services, underutilisation of capacity and losses incurred in operation of commercial activities.

Thus, the poor financial position of the Company can be attributed to the lack of planning for business development in new areas and inefficient business operations and weak financial management.

2.8 Analysis of three commercial activities of the Company

During 2017-18 to 2022-23 the Company carried out three commercial activities on its own, *viz.*, printing of DL/RC, providing internet services under the brand name 'Magic Surf' and Education/Training business for generation of revenue. ***Table 2.2*** depicts the Position of revenue earned, expenditure, profit/loss from these commercial activities.

Table 2.2: Details of Revenue, Expenditure and Profit/Loss from commercial activities

(₹ in crore)

Sl. No.	Activities	Financial Performance	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
1.	Printing of DL/RC	Revenue received	10.16	11.61	12.44	11.69	24.77	Under compil-ation[86]	70.67
		Expenditure	5.77	6.77	5.94	6.99	7.56		33.03
		Profit/(Loss)	4.39	4.84	6.50	4.70	17.21		37.64
2.	Internet Services	Revenue received	0.49	0.22	0.24	0.19	0.25	0.19	1.58
		Expenditure	0.66	0.41	0.50	0.39	0.81	0.33[87]	3.10
		Profit/(Loss)	(0.17)	(0.19)	(0.26)	(0.20)	(0.56)	(0.14)	(1.52)
3.	Education &Training	Revenue received	0.74	1.46	0.68	0.18	0.95	1.69	5.70
		Expenditure	0.98	1.11	1.12	0.97	1.09	0.92	6.19
		Profit/(Loss)	(0.24)	0.35	(0.44)	(0.79)	(0.14)	0.77	(0.49)
Total		**Revenue received**	**11.39**	**13.29**	**13.36**	**12.06**	**25.97**	**1.88**	**77.95**
		Expenditure	**7.41**	**8.29**	**7.56**	**8.35**	**9.46**	**1.25**	**42.32**
		Profit/(Loss)	**3.98**	**5.00**	**5.80**	**3.71**	**16.51**	**0.63**	**35.63**

Source: Information furnished by the Company

As can be seen from ***Table 2.2***, the Company earned aggregate revenue of ₹ 77.95 crore during April 2017 to March 2023 from the above three commercial activities. As against this, the Company incurred an expenditure of ₹ 42.32 crore and earned overall net profit of ₹ 35.63 crore from these activities, which was mainly contributed by the profit earned (₹ 37.64 crore)[88] from the printing of DL/RC activity. Otherwise, the Company suffered loss of ₹ 2.01 crore from the operation of other two activities, *viz.,* (i) Internet services and (ii) Education and training activities.

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[86] Figure for printing of DL/RC was available only for 2017-22 as the data for the year 2022-23 was under compilation.

[87] Excluding the Bandwidth cost, which was pending to be finalised for 2022-23.

[88] For the period April 2017 to March 2022.

Further audit analysis of the three commercial activities of the Company revealed the following observations.

2.8.1 Printing of Driving License and Registration Certificate

The Transport Department, GoA appointed (August 2005) the Company as service provider for printing and issuing smart card based DL/RC in all District Transport Offices (DTOs) of Assam. For this, the Department allowed the Company to collect fees from the applicants at the rate of ₹ 88.20 and ₹ 126 for each DL and RC, which was further revised (June 2021) to ₹120 and ₹ 180 respectively. ***Table 2.3*** depicts the revenue collected and expenditure incurred by the Company from this activity during April 2017 to March 2022.

Table 2.3: Year-wise details of revenue and expenditure

(₹ in crore)

Year	Revenue	Pay and allowance	Other Expenditure	Total expenditure	Surplus
(i)	(ii)	(iii)	(iv)	(v)=(iii)+(iv)	(vi)=(ii)-(v)
2017-18	10.16	1.44	4.33	5.77	4.39
2018-19	11.61	1.69	5.07	6.77	4.84
2019-20	12.44	2.17	3.77	5.94	6.50
2020-21	11.69	2.31	4.69	6.99	4.70
2021-22	24.77	2.80	4.76	7.56	17.21
Total	**70.67**	**10.41**	**22.62**	**33.03**	**37.64**

Source: Information furnished by the Company

As can be seen from ***Table 2.3***, there was consistent increase in revenue earnings from ₹ 10.16 crore (2017-18) to ₹ 24.77 crore (2021-22). The sudden increase in 2021-22 was mainly due to increase in the rate of printing DL/RC and receipt of postal charges separately. As a result, the Company was able to earn an overall surplus of ₹ 37.64 crore during 2017-2022.

However, in a fresh tendering in March 2022 for awarding the job of printing of DL/RC, the Company lost this profitable business to a more competitive bidder. Though the Company was earning overall profit of ₹ 37.64 crore, by quoting a high rate (₹ 149.86 *per* card) in the fresh bidding as compared to the rate quoted (₹ 66.94 per card) by the lowest bidder, the Company's quote became less competitive.

Thus, the Company could not retain this profitable contract due to lack of an aggressive business strategy to retain this contract by remaining competitive through suitable cost cutting measures.

In reply, the Company stated (October 2023) that while participating in the tender it took into consideration the tenure of the project, uncertainty in volume of cards to be printed, manpower cost involved as per statutory requirement, *etc*.,

The fact, however, remains that the bid of the Company was not competitive as it had fallen to L[5] (last bidder) in the bidding process despite having sufficient space to be more aggressive while bidding its price, considering high profit margin of 53 *per cent* that the Company earned from this activity.

2.8.1.1 Lack of synergy between the Company and GoA

As per letter of appointment (Clause-f) issued (August 2005) by GoA to the Company, the DL/RC must be in accordance with upto date amendments of Motor Vehicles (MV) Act 1988, Central Motor Vehicles Rules (CMV) 1989 and Assam Motor Vehicles (AMV) Rules 2003.
GoI amended (March 2019) CMV Rules and notified the CMV (Second Amendment) Rules, 2019 (effective from 1 October 2019). As per new format prescribed under the amended Rules, it was essential to print the details of DL/RC on both sides (*viz*. front and reverse) of the card while the reverse side of the DL/RC card must have Quick Response (QR) code for retrieving the details of the card holder online. However, issuing an Ordinary Laminated type of DL/RC or Smart Card type DL/RC was optional. Further, inclusion of 'chip' on the front side of the card was also optional.

The amended CMV Rules further provided for levy of ₹ 200 per card, where a Laminated or Smart Card type DL was issued in *Form 7* prescribed under the Rules. GoI issued similar directions in case of RC and stipulated levy of ₹ 200 for issue of RC in *Form-23A*.

Audit noticed that GoA directed (August 2019) the Company to implement the new form of DL/RC immediately. The Company, accordingly, prepared sample cards in the new form and submitted (September 2019) to GoA for approval, for which there was no response from GoA. The Company, meanwhile, without pursuing the issue further with GoA, continued to issue DL/RC in old format at a per card fee of ₹ 120 and ₹ 180 respectively through its counters located in 32 DTOs of Assam. It was seen that the QR code in new DL/RC was made (October 2019) mandatory with a view to have easy verification of the antecedents of cardholders by scanning the QR code on a mobile phone without risk of duplication. The Company by issuing DL/RC in old format without QR code defeated this objective, thereby making it difficult for the law enforcing authorities to verify the details of card holders in single scan.

Audit further noticed that while the Company continued to issue DL/RC in old format, the Transport Department, GoA, also started (October 2021) online collection of fees from applicants directly at the time of receiving applications at higher rate of ₹ 200 per DL/RC against DL/RC issued by the Company. During October 2021 to March 2022, the Department collected ₹ 9.48 crore from online applicants at the rate (₹ 200 per card) applicable against upgraded DL/RC, while the Company continued to issue DL/RC in old format in violation of GoI's new instructions. GoA transferred the fee collected from online applicants to the Company. This resulted in excess collection of ₹ 1.48 crore[89] from online applicants and reimbursement to the Company, without issue of card of appropriate type in violation of applicable Rules.

The above facts indicated lack of synergy between the Company and Transport Department, GoA and absence of proactive action on Company's part to upgrade

[89] DL: 1,63,192 × (₹200-120) and RC: 87,802 × (₹200-180).

DL/RC as per new Rules, despite charging service fee from public at higher rates by GoA.

In reply, the Company stated (October 2023) that it did not receive specific directives from the Department and as such was not in a position to print QR code based DL/RC without approval of the Department. The Company further stated that the QR code based DL/RC was discontinued by GoA with effect from 1 September 2023.

The reply is not tenable as GoI/GoA already issued (August 2019) instructions including rates to be charged for printing of QR code based DL/RC. The Company, however, continued issuing DL/RC in old format which was non-compliant to GoI's latest instruction. Further, the GoA although, stopped (August 2023) issuing QR code based smart cards of DL/RC in physical mode, it directed to start issuing DL/RC only in electronics mode (self-printable PDF format) with effect from 1 September 2023 and the electronic version of DL/RC prescribed by GoA also included the QR code.

2.8.2 Magic Surf internet service

The Company provided internet services to public under the brand name of 'Magic Surf' through 12 franchisees. The franchisees were responsible for providing new connection, disconnection, repairs and maintenance of lines and equipment. The franchisees were entitled to share[90] a part of the revenue. ***Table 2.4*** depicts the revenue collected and expenditure incurred by the Company from this activity during April 2017 to March 2023.

Table 2.4: Revenue collected and expenditure incurred

(₹ in crore)

Year	Number of customers	Revenue	Manpower Cost	Other Expenditure	Total expenditure	Net Loss
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2017-18	523	0.49	0.20	0.46	0.66	(-) 0.17
2018-19	255	0.22	0.22	0.19	0.41	(-) 0.19
2019-20	274	0.24	0.23	0.27	0.50	(-) 0.26
2020-21	346	0.19	0.25	0.14	0.39	(-) 0.20
2021-22	354	0.25	0.27	0.54	0.81	(-) 0.56
2022-23	289	0.19	0.29	0.04	0.33[91]	(-) 0.14
Total	**--**	**1.58**	**1.46**	**1.64**	**3.10**	**(-) 1.52**

Source: Information furnished by the Company.

As can be seen from ***Table 2.4***, the Company suffered losses during 2017-18 to 2022-23. The loss from operation of this activity increased by ₹ 0.39 crore (229 *per cent*) from ₹ 0.17 crore (2017-18) to ₹ 0.56 crore (2021-22). From 2020-21, the revenue earned by the Company was not even sufficient to fully recover the manpower cost. Thus, the Company could not recover the costs. The loss figure for 2022-23 (₹ 0.14 crore) was not realistic in absence of bandwidth cost, which was pending realisation. Further audit analysis revealed the following:

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[90] 25 to 50 *per cent* of tariff of different plans.

[91] Excluding the Bandwidth cost, which was pending to be finalised for 2022-23.

2.8.2.1 Lack of competitiveness

There was decrease of 234 consumers (45 *per cent*) from 523 consumers (2017-18) to 289 consumers (2022-23). As a result of reduction in the consumer base, the average monthly revenue[92] generated by the Company from each consumer decreased from ₹ 781 to ₹ 548 during 2017-2023. Monthly entry level tariff charged by the Company as compared to other market operators during 2017-2023 was as shown in ***Table 2.5***.

Table 2.5: Comparison of monthly entry level tariff of internet service providers

Speed	Magic Surf	Jio	Airtel	BSNL
Monthly entry level	₹ 800 per month for bandwidth speed of 20 mbps for usage upto 100 GB thereafter speed reduced to 2 mbps	₹ 399 per month for bandwidth speed of 30 mbps with unlimited data usage	₹ 499 per month for bandwidth speed of 40 mbps with unlimited data usage	₹ 329 per month for bandwidth speed of 20 mbps for usage upto 1,000 GB data thereafter speed reduced to 2 mbps
OTT[93] services	No	Yes	Yes	Yes

As can be seen from ***Table 2.5***, the tariff charged by the Company for usage of one gigabyte data was ₹ 8 in comparison to ₹ 0.33 charged by Bharat Sanchar Nigam Limited. Further, the tariff charged by the Company against data speed/usage offered was not compatible with service providers in private sector *viz*. Reliance Jio Infocomm Limited and Bharti Airtel Limited. Thus, uncompetitive tariffs of the Company in providing the internet services led to substantial decrease in market share and consumer base of the Company during 2017-2023 as evident from ***Table 2.4***.

The Company, however, did not initiate any action to analyse the reasons for continuous operational losses from this business for appropriate corrective action so as to stay competitive in the market.

In reply, the Company stated (October 2023) that due to entry of private players like Jio, Airtel, *etc*., and requirement of huge investment, the Company had lost its market share in the business.

2.8.2.2 Dues recoverable from franchisees

Out of 12 franchisees engaged by the Company, six franchisees had outstanding dues of ₹ 0.91 crore as of March 2022. Of these, four franchisees having dues of ₹ 0.61 crore were inactive as on June 2023. The Company had been recovering the dues from two active franchisees by adjusting 25 *per cent* of the commission[94]. The Company, however, had not taken legal action against defaulting franchisees to recover the outstanding dues (June 2023).

2.8.3 Education and training business

The Company imparted computer education to students and Government servants through its 52 centres as shown in ***Table 2.6***.

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92 Column 3 of ***Table 2.4*** ÷ (column 2 of ***Table 2.4*** × 12 months).

93 OTT (over-the-top) is a means of providing television and film content over the internet at the request and to suit the requirements of the individual consumer.

94 As on June 2023, the Company could recover ₹ 0.10 crore from one franchisee

Table 2.6: Number of education and training centres

Nature of Centre	Type of operation		Total
	Own	Franchisee	
District Computer Centre[95]	3	23	26
Education and Training wing	3	23	26
Total	**6**	**46**	**52**

Source: Information furnished by the Company.

From ***Table 2.6***, it may be seen that out of 52 training centres, 26 centres were District Computers Centres (DCCs) created by GoA during 2005 to 2023 and 26 centres were operated through the Education and Training Wing of the Company. One DCC (DCC, Silchar) out of 26 DCCs created by the Company to operate as a 'training centre' could not be utilised for the intended purpose since 2013. At present, the DCC, Silchar was being utilised by the Board of Secondary Education, Assam as a 'Strong Room' defeating the prime objective of creating the DCC.

Out of 51 functional centres, 45 centres were operated by franchisees on revenue sharing basis.[96] ***Table 2.7*** depicts the details of year-wise revenue earned and expenditure incurred during 2017-23 on these activities.

Table 2.7: Revenue/expenditure from education and training business

(₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Company's own operation (6 centres)							
Revenue earned	0.39	0.86	0.25	0.13	0.33	0.57	2.53
Expenditure	0.59	0.64	0.72	0.74	0.64	0.68	4.01
Surplus/Deficit (-)	(-) 0.20	0.22	(-) 0.47	(-) 0.61	(-) 0.31	(-) 0.11	(-) 1.48
Franchisee operation (45 centres)							
Revenue earned	0.35	0.60	0.43	0.05	0.62	1.12	3.17
Expenditure	0.39	0.47	0.40	0.23	0.45	0.24	2.18
Surplus/Deficit (-)	(-) 0.04	0.13	0.03	(-) 0.18	0.17	0.88	0.99
Overall Surplus/Deficit (-)	**(-) 0.24**	**0.35**	**(-) 0.44**	**(-) 0.79**	**(-) 0.14**	**0.77**	**(-) 0.49**

Source: Information furnished by the Company.

As can be seen from ***Table 2.7***, while the Company incurred loss of ₹ 1.48 crore in running its owned DCCs, it earned a profit of ₹ 0.99 crore from operation of centres by franchisees during 2017-2023. Of the total expense of ₹ 6.19 crore, the manpower cost amounted to ₹ 4.47 crore, which represented 78 *per cent* of total revenue (₹ 5.70 crore) for the period upto March 2023. As such, the overall losses of ₹ 0.49 crore suffered by the Company during 2017-2023 were largely attributable to high administrative cost. Action to reduce its overhead cost to make this venture profitable was not on record.

In reply, the Company stated (October 2023) that during 2017-2020 the DCCs were operated with machines and equipment which were outdated and defunct and suffered certain losses due to Covid. The management added that few manpower engaged in education and training (E&T) business were shared with other projects of the

[95] Including one DCC in Silchar, which was non-functional since 2013.

[96] The Company earns 100 *per cent* of Registration fee and 20 *per cent* of course fee for each trainee.

Company. Hence, entire salary of manpower should not be allocated to E&T business. The reply is not acceptable as the Company continued operation of education centres without any plan in place to replace old machines and equipment. Further, the manpower cost has been considered after suitable allocation among the projects.

2.8.3.1 Outstanding dues from the franchisees

Though the Company earned a profit of ₹ 0.99 crore during the last six years ending March 2023, there were outstanding dues of ₹ 0.45 crore from nine franchisees for a period ranging from 7 to 16 years. Action to recover outstanding dues was not on record.

In reply, the Company stated (October 2023) that efforts were undertaken from time to time to recover the existing dues from franchisees. The reply is not tenable as the efforts made by the Company did not reduce the position of outstanding dues since 2016-17.

Thus, based on analysis of three commercial activities, it can be concluded that the Company lacked planning to reduce cost/ operational losses, indicating inefficient business operations. Further, the Company failed to adapt itself to the fast-changing business environment owing to lack of business strategy to retain the profitable contract by remaining competitive against its competitors in the market, coupled with lack of synergy with the Government.

2.9 Implementation and operation of Government projects

The Company implemented two projects funded by GoA/GoI during 2017-18 to 2022-23. In addition, the Company operated and maintained two projects that had been completed prior to 2017-18. The details of the four projects[97] being operated by the Company have been summarised in ***Table 2.8***.

Table 2.8: Year-wise details of fund received and expenditure incurred for the projects

(₹ in crore)

Sl. No.	Project (Funding Source)	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	Status
1	Tech City (GoI)	Fund received	23.97	7.43	17.86	14.73	104.05[98]	8.00	176.04	In progress
		Expenditure	0.34	16.27	14.29	24.07	104.42	16.18	175.57	
2	State Data Centre (Commissioned in February 2021 (GoI/GoA)	Fund received	3.00	1.00	1.49	10.28	12.33	8.55	36.65	Commissioned in February 2021 and is under operation
		Expenditure	2.85	0.96	1.41	9.65	11.77	8.14	34.78	
		Agency commission due	0.15	0.05	0.07	0.63	0.57	0.41	1.88	

[97] Tech City Project was owned by the Company including land measuring 100 acres on which Tech City project was taken up with GoI share funding. The remaining three projects (*i.e.* e-District, Assam State Wide Area Network, State Data Centre) were of GoA, being executed through the Company and the Company was entitled to agency commission for looking after the operation and maintenance activities.

[98] Including Term loan of ₹100 crore received from Bank of Maharashtra.

Sl. No.	Project (Funding Source)	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total	Status
3	e-District (GoI/GoA) (Rolled out in September 2015)	Fund received	1.00	1.00	16.39	6.22	0.80	3.33	28.74	Project completed prior to 2017-18 and in operation
		Expenditure	1.00	1.00	6.40	13.70	2.52	2.89	27.51	
		Agency commission due	--	--	0.44	0.32	0.04	0.16	0.96	
4	Assam Wide Area Network (GoA) (Rolled out in : November 2011)	Fund received	6.00	6.00	14.00	5.75	4.00	3.80	39.55	Project completed prior to 2017-18 and in operation
		Expenditure	6.01	8.86	9.95	10.35	10.17	3.64	48.98	
		Agency commission due	0.30	0.44	0.50	0.52	0.51	0.18	2.45	
Total: All Projects		**Fund received**	**33.97**	**15.43**	**49.74**	**36.98**	**121.18**	**23.68**	**280.98**	
		Expenditure	**10.20**	**27.09**	**32.05**	**57.77**	**128.88**	**30.85**	**286.84**	
		Agency commission due	**0.45**	**0.49**	**1.01**	**1.47**	**1.12**	**0.75**	**5.29**	

Source: Information furnished by the Company.

Audit observed that during 2017-2023, the Company received ₹ 280.98 crore from GoI/GoA for implementation/operation of the projects, against which the Company utilised ₹ 286.84 crore. In addition, the Company was also entitled to agency commission of ₹ 5.29 crore.

Thus, an amount of ₹ 11.15 crore (expenditure: ₹ 5.86 crore and agency commission: ₹ 5.29 crore) was receivable from GoA as of March 2023. This indicated that the Company not only failed to adjust its agency commission from projects in a timely manner but also spent its own funds in advance, which was not prudent financial management.

Audit observations on individual projects are discussed in the subsequent paragraphs.

2.9.1 Tech City project (ongoing)

The Company initiated (January 2018) a proposal for developing an Information Technology (IT) Park and Electronic Manufacturing Cluster (EMC) known as "Tech City" on a plot of land measuring 100 acres at Kamrup, Assam owned by the Company.

The Company prepared (January 2018) a Detailed Project Report (DPR) of ₹ 119.85 crore, which was sanctioned (February 2018) by GoI. Subsequently, the Company prepared (July 2019) revised DPR of ₹ 607.21 crore (IT park: ₹ 487.36 crore and EMC: ₹ 119.85 crore) for the entire project to develop Tech City for providing manufacturing base for Electronics and IT sector, by attracting national and multinational manufacturing companies and earn revenue through leasing of land/ spaces to manufacturing units. The funding of the project cost (₹ 607.21 crore) was as

follows: EMC for ₹ 119.85 crore (GoI: ₹ 50 crore, GoA: ₹ 39.89 crore as grants; and Company: ₹ 29.96 crore) and ₹ 487.36 crore for IT park was to be financed by the Company by arranging term loan of ₹ 400 crore from Bank of Maharashtra (BoM) (January 2021). The component-wise details of sanction, fund received, status of works undertaken as on 31 March 2023 was as shown in ***Table 2.9***.

Table 2.9 Details of sanction, funds received, status of works under the project as on 31 March 2023

(₹ in crore)

Name of project	Date of sanction	Scheduled date of completion	Sanctioned /estimated cost	Funds received	Expenditure incurred	Status	Delay in months
EMC (Government funded) includes Common Facility Centre (CFC) buildings, Roads, Drainage etc	1 February 2018	31 December 2018	119.85	76.04	75.57	Incomplete	51
IT Park (own resources/ loan) Includes construction of G+8 and G+3[99] Steel structure building, multi-level car parking, Solar Panel *etc*.	--	No target date was fixed for completion	487.36	100.00	100.00	Incomplete	No target date was fixed
Total			**607.21**	**176.04**	**175.57**		

Source: Information furnished by the Company.

Audit observed that against project cost of ₹ 607.21 crore, the Company could arrange ₹ 176.04 crore[100] (29 *per cent* of total cost). Of the remaining ₹ 431.17 crore, the Company was to receive ₹ 40.56 crore[101] from GoI/GoA and arrange ₹ 390.61 crore[102] (including bank loan of ₹ 300 crore) through own sources as of March 2023. The Company incurred expenditure of ₹ 175.57 crore against the fund received of ₹ 176.04 crore, leaving unspent balance of ₹ 0.47 crore as of March 2023. However,

[99] G+8/ G+3 means Ground plus eight and Ground plus three storied steel building.
[100] ₹ 25 crore (GoI) + ₹ 24.33 crore (GoA) + ₹ 26.71 crore (own sources) + ₹ 100 crore
[101] GoI (₹50 crore - ₹25 crore) + GoA (₹ 39.89 crore - ₹ 24.33 crore)
[102] ₹607.21 crore - ₹89.89 crore (GoI & GoA) -₹26.71 crore (own contribution) - ₹100 crore (Bank loan)

the project which started in 2017-18 remained incomplete till March 2023 even after expiry of more than five years.

Audit further observed that:

- the Company received ₹ 76.04 crore for EMC project from GoI (₹ 25 crore) and GoA (₹ 24.33 crore) and its own contribution (₹ 26.71 crore) during 2017-2023. The balance fund (₹ 43.81 crore) for this project is yet to be arranged from GoI/GoA (₹ 40.56 crore) and from Company's own sources (₹ 3.25 crore).

- the Company could mobilise a loan of ₹ 100 crore out of ₹ 400 crore planned for IT park project from BoM and the same was fully utilised by the Company as of March 2023. Even after lapse of more than five years since sanction (February 2018) of the project, the Company neither fixed target date for completion nor tied up the source of funding as of March 2023.

2.9.1.1 Poor project management

Audit observed poor project management of the Company as elaborated below:

(i) The Company started (2017-18) an ambitious project of Tech City, involving ₹ 607.21 crore, without proper funding arrangement, despite its precarious financial health. Of this, ₹ 89.89 crore was to be provided by GoI/GoA under EMC and the balance amount of ₹ 517.32 crore was to be arranged from own sources.

(ii) The Company approached BoM to provide loan of ₹ 400 crore to finance the project and received first instalment of ₹ 100 crore in June-September 2021 without any guarantee from GoA.

(iii) As per terms of loan agreement, the Company was to provide irrevocable and unconditional guarantee of GoA to the extent of loan to BoM by October 2021, failing which the Company was liable for payment of a penalty of two *per cent* per annum on the outstanding amount of loan from the end of October 2021.

The Company requested (August 2021 and April 2022) GoA to provide guarantee, to which GoA informed its inability. As a result, BoM stopped (September 2022) release of further loan and claimed (November 2022) ₹ 2.81 crore[103] as additional penal interest on the outstanding loan.

(iv) As per sanction letter of GoI for EMC, the Company was required to form a Special Purpose Vehicle (SPV) before scheduled project completion date (31 December 2018) or before release of second instalment wherein at least seven EMC units should be on the BoD of the SPV and these units must hold at least 51 *per cent* of the share capital of the SPV with no single unit holding more than 25 *per cent*. Though the Company nominated (June 2019) its subsidiary company named AMTRON Informatics India Limited as SPV but due to poor progress of the project, only five acres out of 41 acres of leasable land could be allotted to three units. As

[103] Calculated at the rate of 2 *per cent* per annum on outstanding amount of loan.

such, the condition of including at least seven EMC units in the BoD of the SVP could not be complied by the Company. Therefore, GoI did not release balance fund of ₹ 25 crore to the Company due to non-compliance of stipulated conditions.

The Company, based on sanction of ₹ 119.85 crore, could have completed the EMC project at the first stage, which was a self-sustainable component of the project to generate revenue after receipt of ₹ 176.04 crore for EMC project during March 2018 to March 2023, which included development of basic infrastructure such as CFC buildings, electrical sub-station, roads, drainage, etc. The Company, instead, decided (July 2019) to take up the work of IT park, which included construction of G+8/G+3 steel structure building, International Internet Gateway project, *etc.,* which were not part of the EMC component of the project, without tying up its funding sources. As such works under Tech City project were held up and remained incomplete for more than five years (as shown in ***Figure 2.1*** to ***2.4***) as of June 2023.

Figures 2.1 to 2.4

Figure 2.1: Incomplete CFC Building Block-A

Figure 2.2: Incomplete CFC Building Block-B

Figure 2.3: Incomplete G+8 Steel Structure Building

Figure 2.4*:* Incomplete G+3 Steel Structure Building

Thus, the decision of the Company to execute both the components of the project without ensuring availability of funds was not prudent. Due to poor management of the project, the Company not only incurred extra liability of ₹ 2.81 crore towards penal interest, but it also led to blockage of ₹ 175.57 crore already invested, without achieving the objective of creating a manufacturing base for electronics and IT sector even after more than five years as of June 2023.

In reply, the Company stated (October 2023) that:

- the Tech City was a high capital incentive project where the exact requirement of fund could not be ascertained beforehand.
- budgetary support provided by GoI/GoA was not adequate and as such it opted for commercial borrowing.
- funds from government were received in staggered manner which shifted the entire burden on the Company.
- stringent banking norms for securing mortgage against borrowing for such an ambitious project had been a hindrance in securing the fund.
- the interest liability component would be paid through revenue to be generated from commercial ventures planned to be entered into with the electronics and IT companies.
- there were several disruptions during implementation of the project such as Covid pandemic among others which delayed the completion of the project.

The reply is not tenable as the main objective of preparing DPR is to assess the actual requirement of funds necessary for timely completion of project. The decision to take up such a huge project without firming up funding sources was not prudent as evident from the fact that the project remained incomplete for five years and the Company could not generate any income to fund its loan liability. Further, the funds from GoI were staggered due to non-fulfilment of SPV conditions by the Company. As regards banking norms for securing the mortgage, these were standard in nature and the Company was aware of the same before taking up the project. The contention of the Company regarding covid was also not justified as the Company was to complete EMC project in December 2018 itself, while the outbreak of the covid took place in 2020. The Company could not arrange balance fund required for the project, pay its interest liability incurred for the project and did not have any concrete plan to complete the project as of June 2023.

2.9.2 State Data Centre

Under National e-Governance Plan (NeGP) 2006, GoI envisaged creation of State Data Centres (SDCs) in all the States to consolidate services, applications and infrastructure to provide efficient electronic delivery of Government to Government, Government to Citizen and Government to Business services. The SDC was to act as central repository of State data, ensure data security, online delivery of services, citizen information/services portal, state intranet, remote management and service integration. The SDC was to host or co-locate systems.

GoA designated (August 2009) the Company as State Designated Agency (SDA) for receiving funds from Department of Information Technology, GoI and for implementation of the SDC project. Year-wise fund received and expenditure incurred on the project was as given in ***Table 2.10***.

Table 2.10: Details of fund received and expenditure on SDC project

(₹ in crore)

Particulars	Prior to 2017-18	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Fund received from GoI	7.74	--	--	--	10.28	8.33	--	26.35
Fund received from GoA	20.89	3.00	1.00	1.49	--	4.00	8.55	38.93
Total Fund received	**28.63**	**3.00**	**1.00**	**1.49**	**10.28**	**12.33**	**8.55**	**65.28**
Capital expenditure incurred	28.18	1.33	--	--	9.03	6.29	--	44.83
Operating expenditure incurred	--	1.52	0.96	1.41	0.62	5.48	8.14	18.13
Total expenditure incurred	**28.18**	**2.85**	**0.96**	**1.41**	**9.65**	**11.77**	**8.14**	**62.96**
Agency commission earned	0.45	0.15	0.05	0.07	0.63	0.57	0.41	2.33

Source: Information furnished by the Company and annual accounts of the Company

Audit observed that the Company received ₹ 65.28 crore (GoI: ₹ 26.35 crore[104] and GoA: ₹ 38.93 crore) till March 2023, which included ₹ 36.65 crore received during April 2017 to March 2023. The Company earned agency commission of ₹ 2.33 crore from the project, of which ₹ 1.88 crore pertained to 2017-2023. The project, though scheduled to be completed in January 2009 was commissioned in February 2021 after delay of 12 years. The Company incurred expenditure of ₹ 62.96 crore on the project till March 2023. The details of expenditure incurred for the project are given below:

Sl. No.	Expenditure Head	Amount
1.	Construction of building of State Data Centre	₹ 21.82 crore
2.	Procurement of hardware, software and other infrastructure	₹ 23.01 crore
3.	Operation expenses for warranty, license, fuel *etc*.	₹ 18.13 crore
Total		**₹ 62.96 crore**

2.9.2.1 Deficiencies of State Data Centre

(i) Under-utilisation of capacity

The SDC is a unified place where government departments and agencies could host their applications and websites. The SDC had two server rooms having capacity of 1,638 rack units (RU) in each server room. The Company could, however, partially utilise one server room (672 RU), while the other server room was lying idle. Thus, 2,604 RU capacity (79 *per cent*) out of 3,276 RU remained unutilised as of September 2023.

[104] Comprising of hardware, software *etc*.

Audit noticed that despite having capacity, websites and applications were hosted outside SDC, either in Mini Data Centre (MDC) of the Company or private cloud despite GoA notification (September 2022) as discussed subsequently.

Audit observed that five departments and agencies[105] continued to host applications either in private cloud or department's own servers. One agency (State Coordinator, National Register of Citizens, Assam) issued (June 2023) work orders for management of data centre including data in private cloud. Another state PSU (Assam Power Generation Corporation Limited) entered (January 2022) into agreement with a private data centre to host its Enterprise Resource Planning (ERP) application in cloud for 3 years at a cost of ₹ 3.54 crore. Information regarding cost incurred by other departments was not furnished to Audit. Thus, as of June 2023, the SDC did not act as a central repository of state data for which funds of ₹ 62.96 crore had been invested by GoI/GoA even after two years of its commissioning in February 2021.

In reply, the Company stated (October 2023) that free space will be allocated and populated with IT infrastructure as and when there is requirement for expansion of cloud and co-location services. The fact, however, remains that several departments and agencies were not utilising the SDC's capacity. The objective of creating SDC as central repository would not be achieved unless the Company/GoA issue instructions to Government departments to mandatorily use SDC for hosting their applications and websites. Thus, it is incumbent on the Company to apprise GoA about facilities created in SDC for optimum utilisation of the capacity for issuing clear directions.

(ii) Dual power supply not ensured

As per SDC guidelines, the Company was to draw power from two different feeders to ensure continuity of power supply.

The Company procured (March 2018) two 750 KVA transformers costing ₹ 0.30 crore each for transformation of power from electricity grid to SDC. The two transformers were, however, connected to the same electrical feeder and in case of any defect in feeder, there would be no alternate feeder to maintain uninterrupted power supply for the server room. Thus, the procurement of two transformers for ₹ 0.60 crore for the entire SDC for a connected load of 705.88 KVA back-up electrical connection for the system of SDC was not ensured as required under the guidelines of SDC issued by GoI.

(iii) Applications/services of GoA's departments not migrated to SDC

As per GoA notification (November 2019), once the SDC was fully operational, all critical application and services of the State were to be migrated from Mini Data Centre (MDC) to SDC.

Audit observed that as on June 2023, 46 websites of different government departments and agencies and two applications pertaining to e-District and State

[105] State Coordinator, NRC, Assam, Public Works Department, GoA, Finance Department, GoA, Revenue Department, GoA and Assam Power Generation Corporation Limited.

Service Delivery Gateway (SSDG) were hosted in MDC though SDC was already commissioned in February 2021. As SDC also had facility of far site backup of data in Noida, Uttar Pradesh, continuation of storing critical data in MDC was a violation of GoA's instruction to use MDC as a near Disaster Recovery Centre. The management cited that the current hardware of MDC was obsolete and storage capacity was limited, causing slow processing of application. Continued use of MDC involved the risk of data loss and business continuity of the department, non-delivery/slow delivery of various Government services to citizens, business and other government agencies.

In reply, the Government/Company stated (October 2023) that websites would be migrated from MDC to SDC once additional server/storage infrastructure is provisioned at SDC. Thereafter, MDC would act as a Near Disaster Recovery site for SDC.

(iv) Disaster Recovery and Business Continuity Plan

As per GoI guidelines, high system availability was one of the critical requirements of SDC. Further, the State was required to establish appropriate Disaster Recovery (DR) and Business Continuity Plan along with appropriate data backup and recovery infrastructure. National Informatics Centre (NIC) informed (March 2013) GoA that it would provide DR for the SDC of Assam.

Audit, however, noticed that the Company entered (February 2020) into contract with M/s Nxtra Data Limited (a private data centre) at ₹ 0.08 crore *per annum* for backup service for 10 TB data. Thus, despite having option of securing sensitive Government data in the data centre of Government agency (NIC), the Company compromised on the data security by engaging a private agency in violation of guidelines.

In reply, the Company stated (October 2023) that a proposal has been submitted to IT Department, GoA for a full-fledged DR. The contracts with various private data centres, however, show that the Company failed to take effective action to ensure utilisation of its resources created at significant cost after substantial delays.

2.9.3 e-District Project

The e-District project was a Mission Mode Project (MMP) under National e-Governance Plan (NeGP). The project aimed at electronic delivery of identified high volume citizen centric services at district and sub-district levels, which were not part of any other MMP. The Company was appointed by GoA as the State Designated Agency (SDA) for implementation of e-District project in the State. State-wide roll out of e-District project was completed in September 2015. During 2017-2023, the Company carried out operational and maintenance activities of the project. As on March 2023, the project was offering 46 services. The fund received and expenditure incurred for the project during 2017-2023 was as shown in ***Table 2.11***.

Table 2.11: Fund received and utilised under e-District project

(₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
From GoI	-	-	9.55	1.76	-	-	11.31
From GoA	1.00	1.00	6.84	4..46	0.80	3.33	17.43
Total fund received	**1.00**	**1.00**	**16.39**	**6.22**	**0.80**	**3.33**	**28.74**
Capital Expenditure	-	-	2.22	5.01	0.12	-	7.35
Operating Expenditure	1.00	1.00	4.18	8.69	2.40	2.89	20.16
Agency commission earned	-	-	0.44	0.32	0.04	0.16	0.96
Total fund utilised	**1.00**	**1.00**	**6.84**	**14.02**	**2.56**	**3.05**	**28.47**

Source: Information furnished by the Company.

As can be seen from ***Table 2.11***, the Company received ₹ 28.74 crore from GoI/GoA under e-District project during 2017-2023. Of this, the Company spent ₹ 27.51 crore on operational and maintenance activities and adjusted ₹ 0.96 crore as agency commission for operation of the project, leaving a balance of ₹ 0.27 crore as on 31 March 2023. The details of expenditure incurred by the Company during 2017-18 to 2022-23 were as under.

Sl. No.	Expenditure Head	Amount
1.	Manpower Expenses	₹ 14.72 crore
2.	Hardware cost	₹ 4.82 crore
3.	Site Preparation Expenses	₹ 2.53 crore
4.	Training Expenses	₹ 1.94 crore
5.	Application Support Expenses	₹ 1.68 crore
6.	System Support Expenses	₹ 0.44 crore
7.	Connectivity Expenses	₹ 0.64 crore
8.	Annual Maintenance Cost of hardware	₹ 0.49 crore
9.	Others (contingency, awareness)	₹ 0.25 crore
Total		**₹ 27.51 crore**

2.9.3.1 Revenue sharing arrangement

GoA devised (August 2016) a revenue sharing model, wherein the Company was entitled to receive 94 *per cent* of User Charges[106] collected on applications submitted by citizens directly. As regards applications submitted by citizens through Common Service Centres[107] (CSCs), the Company was eligible to receive 7 *per cent* of user charges. ***Table 2.12*** provides the details of e-service charges collected by the Company as its share of revenue under e-District project during 2017-2023.

Table 2.12: Year-wise e-Service charges collected under e-District Project

(₹ in crore)

Year	E-service charge collected from applicants directly (94 *per cent*)	E-service charge collected from CSC (7 *per cent*)	Total e-service charges collected
2017-18	0.53	0.04	0.57
2018-19	0.25	0.08	0.33

[106] ₹ 30 per application.

[107] Private operators for providing citizen centric services.

Year	E-service charge collected from applicants directly (94 *per cent*)	E-service charge collected from CSC (7 *per cent*)	Total e-service charges collected
2019-20	0.37	0.13	0.50
2020-21	0.42	0.11	0.53
2021-22	0.65	0.13	0.78
2022-23	1.91	0.23	2.14
Total collection	**4.13**	**0.72**	**4.85**

As can be seen from ***Table 2.12***, the Company collected e-service charge of ₹ 4.85 crore[108] during 2017-2023. Further, the revenue collected by the Company consistently increased from ₹ 0.33 crore (2018-19) to ₹ 2.14 crore (2022-23).

Audit observed that the revenue collection of the Company could have further increased if it had implemented the instantaneous service by digitising records in a time bound manner to provide e-services across the counters, as elaborated in ***paragraph 2.9.3.3***.

2.9.3.2 Delay in delivery of e-Services

As per Clause 1.2.2 of Integrated Framework for Delivery of Services (IFDS) issued (August 2012) by GoI, the primary emphasis was on improvement in service levels. The project was to have a clear commitment on achieving acceptable service levels for the services selected.

To improve public service delivery system, GoA enacted the Assam Right to Public Service Act, 2012 (ARTPS Act) and notified (April 2015 and May 2016) timelines for delivery of Government to Citizen services electronically under the project. Further, e-District application should provide for an online Service Level (SLA) Management System to escalate any issue to the next superior authority in case the service levels were not met by the officials concerned.

Audit analysed e-District data and found that 48.67 lakh certificates were issued in respect of 17 active services through e-District during April 2017 to March 2023. The position of delivery of services was as given in ***Table 2.13***.

Table 2.13: Analysis of the time taken in delivery of e-services

Year	No. of applications received	No. of application processed on time	No. of applications processed beyond time	Range of delay (in days)
2017-18	5,00,335	2,36,414	2,63,921	1 to 1,753
2018-19	5,60,665	2,72,664	2,88,001	1 to 1,426
2019-20	6,87,627	3,56,106	3,31,521	1 to 1,051
2020-21	6,09,621	3,47,272	2,62,349	1 to 695
2021-22	6,96,180	4,02,272	2,93,908	1 to 354
2022-23	18,12,937	9,89,959	8,22,978	1 to 349
Total	**48,67,365**	**26,04,687**	**22,62,678**	**1 to 1,753**

Source: Information furnished by the Company.

[108] ₹ 4.13 crore on direct applications made by citizens + ₹ 0.72 crore on applications made through CSCs.

As can be seen from ***Table 2.13***, out of 48.67 lakh applications received during 2017-2023, 26.04 lakh applications (53.51 *per cent*) were processed within the stipulated timeframe and the balance 22.63 lakh applications (46.49 *per cent*) were issued after a delay ranging from 1 to 1,753 days. ***Appendix 5*** provides details of service-wise applications received and processed during 2017-2023. It was further seen that the Company deactivated (2015) the provisions for online SLA management, which was meant to monitor the pending applications and for escalation pending applications to the higher authorities. Consequently, service delivery within the timeframe as specified under ARTPS Act for various Government to Citizen services was not ensured.

In reply, the Company stated (October 2023) that the provision of escalation mail was deactivated during User Acceptance Test due to inconvenience faced by dealing officials. The reply is not acceptable as in absence of provision regarding escalation mail, the purpose behind introducing IFDS was not fulfilled. Further, the Company did not obtain approval from GoI/GoA for exemption from the provision of escalation mail.

2.9.3.3 Instantaneous service delivery not provided

The IFDS issued by Ministry of Electronics and Information Technology, Government of India identified e-services into three categories *viz*. Type I, II and III depending upon the nature of service required. GoI focused on Type I services that can be provided instantaneously across the counter. The States were to identify 3 to 4 services of Type I, which could immediately be provided to citizens. For this purpose, GoI sanctioned (March 2012) ₹ 12.50 crore for digitisation of data in Assam. The Company as SDA was required to ensure completion of digitisation of records in a time bound manner to provide e-services instantaneously across the counters.

Though the state-wide roll out of e-District was completed in September 2015, Audit noticed that the Company could execute works valuing ₹ 0.11 crore (0.88 *per cent*) out of ₹ 12.50 crore earmarked for data digitization as of March 2023. Slow progress of action taken by the Company for data digitisation was as given in ***Table 2.14***.

Table 2.14: Status of data digitisation

Date	Events	Remarks
27 May 2013	Issue of Letter of Intent (LoI) to Medhassu eSolutions India Private Limited as system integrator (SI).	The scope of work included data digitisation, supply of hardware/ software *etc.*
27 May 2013	In a meeting, it was decided to remove the work of data digitisation from the scope of work of SI.	The decision was taken without any recorded reason. Further, the instructions were issued to select vendors through tendering process.
31 May 2013	SI accepted the LoI.	-
4 March 2014	Fresh expression of interest was invited from parties for the work of data digitisation.	The Company took 9 months from the date of decision (27 May 2013) to exclude the digitisation work from the SI's scope of work.

Date	Events	Remarks
29 August 2015	The Company awarded the digitisation work to two firms[109]for completion of work within four years (*i.e.* August 2019).	The Company took 17 months in finalisation of tender

As can be seen from ***Table 2.14***, the Company took 2 years 3 months from May 2013 to August 2015 to award the work to two parties. There was delay at every stage. Moreover, the two parties could not complete digitisation work as per target date of August 2019 due to lack of cooperation from district authorities to ensure availability of required office space, speedy transfer of records/registers, *etc*. The Company, being SDA for the project, should take up the matter with district authorities regularly to speed up progress of the work.

Thus, in absence of digitised database (permanent resident certificate, caste certificate, income certificate, non-creamy layer certificate *etc.*), none of the services could be provided 'instantaneously' across the counter even after elapse of seven years of state-wide rollout of e-District project in September 2015. Hence, the direction of MeitY for providing instantaneous services to citizens was not achieved as of March 2023.

In reply, the Company stated (October 2023) that digitization of data could not be completed due to non-availability of data in readable format in district offices, lack of adequate records/registers, *etc*. and hence instantaneous services could not be provided.

2.9.4 Assam State Wide Area Network (ASWAN)

State Wide Area Network was one of the core projects under NeGP, which aimed at establishing infrastructure to create network connectivity between State Headquarters and all the Blocks via district/subdivisions in a vertical structure by creating Point of Presence[110] (PoP) at each location. GoI sanctioned (March 2005) ₹ 72.50 crore against the project and the work was completed in November 2011.

The Company was entrusted by GoA (October 2014) to carry out operational activities, *viz.* providing internet service, repairs and maintenance of infrastructure and engaging manpower for the project. Details of fund received, expenditure incurred and agency commission earned by the Company for this project during 2017-18 to 2022-23 was as shown in ***Table 2.15***.

Table 2.15: Fund received, expenditure and agency commission earned

(₹ in crore)

Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Receipt of Fund from GoA (A)	6.00	6.00	14.00	5.75	4.00	3.80	**39.55**
Actual expenditure incurred (B)	6.01	8.86	9.95	10.35	10.17	3.64	**48.98**

[109] Writer Information Management Services and SREI Infrastructure Finance Limited

[110] A point-of-presence (POP) is a point or physical location where two or more networks or communication devices build a connection from one place to the rest of the internet.

Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Agency commission due (5 *per cent* of expenditure) (C)	0.30	0.44	0.50	0.52	0.51	0.18	**2.45**
Total fund receivable from GoA (B+C-A)	**0.31**	**3.30**	**(-) 3.55**	**5.12**	**6.68**	**0.02**	**11.88**

Source: Information furnished by the Company.

As can be seen from ***Table 2.15***, the Company received ₹ 39.55 crore for operation of the project during 2017-2023. Against this the Company incurred expenditure of ₹ 48.98 crore as shown in ***Table 2.16***:

Table 2.16: Fund received, expenditure and agency commission earned

(₹ in crore)

Sl. No.	Expenditure Head	Amount
1.	Manpower Expenses	31.57
2.	Bandwidth cost	9.09
3.	Hiring and procurement of optical fibre	5.89
4.	Procurement of router	2.43
	Total	**48.98**

Audit further observed the following:

(i) Against actual expenditure of ₹ 48.98 crore incurred by the Company for operation and maintenance of ASWAN and agency commission of ₹ 2.45 crore thereagainst, GoA released ₹ 39.55 crore. GoA did not release balance funds of ₹ 11.88 crore pertaining to 2020-21 to 2022-23 as of June 2023.

(ii) 287 points of presence (PoPs) were created at State headquarters, district headquarters and block offices in a three tier structure as on March 2023, of which 225 PoPs were functional and the remaining 62 PoPs (21.60 *per cent*) had zero uptime (*i.e.* not in working condition). Audit observed that out of 62 non-functional PoPs, the Company paid ₹ 0.91 crore on deployment of manpower in respect of 19 PoPs to a private manpower agency (*i.e.* Infotech Solution Limited) during 2017-2023. No action was taken by the Company to analyse the zero uptime of these 19 PoPs for taking remedial measures.

In reply, the Company stated (October 2023) that it is incorporating measures in current proposals to make all the POPs functional. The reply, however, did not justify excess payment already made for manpower engaged in those non-functional PoPs.

(iii) The Company procured Optical Fibre Cable (OFC) cables (₹ 1.44 crore), switch and router (₹ 2.23 crores) and hired the OFC cable on lease (₹ 4.82 crore) during 2017-2023. All the above procurements valued more than ₹ 1 lakh on each occasion and more than ₹ 5 lakh in a year. The Company, however, incurred ₹ 8.49 crore during the period without following tendering process, in violation of Assam Public Procurement Act, 2017. Thus, the Company need to

take corrective action on the above and comply with provisions of Assam Public Procurement Act, 2017 to ensure competitive price for execution of work.

In reply, the Company stated (October 2023) that since April 2023 onwards, the RFPs were released for all network items required for ASWAN. The reply, however, remained silent regarding non-following of proper procurement process during 2017-2023.

2.10 Management of Electronic Waste (E-waste)

E-waste denotes electronic or electrical products such as computers, laptops, television, mobiles phones *etc.* that are unwanted, not working and nearing or at the end of their useful life. E-waste is hazardous when such waste is dismantled without scientific processing or recycling prior to its final disposal.

Under E-Waste (Management) Rules, 2016, which came into effect from 1 October 2016, the responsibility of disposal of e-waste in a scientific and environmentally sound manner was assigned to manufacturers, producers, consumers, bulk consumers, dealers, *etc*., of notified electrical and electronic equipment as listed in Schedule-I thereof. As per the definition of bulk consumer of electrical and electronic equipment, the Company falls under the category of 'bulk consumer'.

Further, in the IT and Electronics Policy, 2017, GoA affirmed its commitment to environmental protection by ensuring proper e-waste management and disposal of obsolete ICT equipment in accordance with policy/guidelines of GoI.

Audit observed that during 2017-2023, the Company did not formulate any specific policy or guidelines for identification, storage and disposal of e-waste. The Company kept old and scrap electronics items *i.e*., monitors, CPUs, servers *etc.* at the store yard located within the premises of its head office/District Computer Centres (DCCs) as shown in ***Figure 2.5*** and ***2.6***.

Figure 2.5: e-Waste at Company's central store

Figure 2.6: e-Waste at one of the DCCs

Details of e-waste generated and disposed of by the Company during the last five years ending March 2023 were not furnished to Audit.

Non-compliance of provisions of E-Waste Rules by the Company was as detailed in ***Table 2.17***.

Table 2.17: Non-compliance of provisions of E-Waste (Management) Rules, 2016

Sl. No.	Clause	Provisions of E-Waste (Management Rules, 2016	Audit observations
1	Clause 9(1)	To ensure that e-waste generated is channelised through collection centre or dealer of authorised producer or dismantler or recycler or through the designated take back service provider of the producer to authorised dismantler or recycler;	The Company did not engage any agency for channelising its e-waste.
2	Clause 9(2)	To maintain records of e-waste generated in Form-2 and make such records available for scrutiny by the concerned State Pollution Control Board (SPCB);	Though the Company has been using electrical and electronic items, it did not maintain any records for e-waste generated.
3	Clause 9(4)	Filing annual returns in Form-3, to the concerned SPCB on or before the 30th day of June following the financial year to which that return relates.	The Company did not file any return in compliance.
4	Clause 15	E-waste Rules stipulated a period of 180 days for storage of E-Waste. Approval of SPCB was required for storage beyond 180 days (upto maximum of 365 days).	Such exercise carried out was not on record.

Thus, the Company's handling of e-waste was not adequate as per the Rules. Non-disposal of these e-wastes as per the Rules can be harmful to both public health and the environment.

In reply, the Company stated (October 2023) that it would follow the guidelines as laid down under E-waste (Management) Rules, 2016.

2.11 Monitoring mechanism

2.11.1 Internal Audit

The Company did not have any Internal Audit Wing. The Company, however, appointed Chartered Accountant firms as internal auditors every year for review of financial statements. The core activities of the Company, however, remained outside the purview of Internal Auditor.

In reply, the Company stated (October 2023) that it was in the process of undertaking a systematic approach for enabling Internal Audit for reviewing its core activities after due discussion with BoD of the Company.

2.11.2 Inadequate monitoring of projects and systems

Audit observed that out of five sanctioned posts in the higher management, four posts (80 *per cent*) remained vacant during 2017-18 to 2021-23. Such shortage of personnel puts constraints on effective monitoring of projects and systems in operation as seen in the several instances of delay in completion of works, non-recovery of dues, non-compliance with rules, operational inefficiencies, *etc*. highlighted earlier.

2.11.3 Accounts in arrears

As per section 96(1) of the Companies Act 2013, every company was required to finalise annual accounts by the end of six months from the date of end of the relevant financial year *i.e.* by 30 September. The accounts of a Government Company as approved by BoD were subject to audit by Statutory Auditors (SA), who were appointed by CAG, followed by supplementary audit by CAG. The audited accounts along with the report of SA and supplementary comments of CAG were to be adopted in Annual General Meeting.

Audit observed that the certification of the Annual Accounts of the Company by the Statutory Auditors and supplementary audit by CAG was completed upto the accounting year 2017-18. The Company prepared its provisional accounts for subsequent four years (2018-19 to 2021-22), which were yet to be submitted to CAG for supplementary audit pending certification by the Statutory Auditors.

Delay in finalisation of accounts may entail the risk of fraud/misappropriation and leakage of public money apart from violation of the provisions of the relevant statutes.

Conclusion

Several deficiencies noticed in Audit in the management of the Company are summarised as follows:

During 2017-18 to 2022-23, the Company did not have any specific short and long-term strategic plan to develop its business operations so as to derive advantage of the changing business scenario in light of GoA's IT policy. It also did not have laid down strategies to reduce cost, operational losses and risk of losing current and new business and to give new direction for long term sustainability.

The Company made an overall profit of ₹ 35.63 crore from its three own commercial activities. While the Company earned profit (₹ 37.64 crore) from printing of DL/RC, it suffered loss (₹ 2.01 crore) from other two commercial activities (internet services and training & education business). The Company, however, lost the most profitable business of printing of DL/RC in the tender invited (March 2022) by GoA, due to quotation of abnormally high rate compared to L1 bidder and lack of aggressive tendering policy.

The Company neither fixed target dates nor tied up the source of funding for completion of Tech City project. As a result, the Company not only incurred extra liability of ₹ 2.81 crore towards penal interest, but it also resulted in blockage of ₹ 175.57 crore already invested, without achieving the objective of the project even after more than five years. The State Data Centre was not active as central repository of state data even after two years of its commissioning. Further, instances of underutilisation of capacity, absence of dual power supply to ensure uninterrupted power supply for server room, hosting of critical Government websites and applications outside SDC and compromising of data security by engaging private agency were noticed in respect of SDC project.

Under e-District project, the Company failed to ensure timely delivery of e-services to 22.63 lakh (46.49 *per cent*) out of 48.67 lakh applicants due to deactivation of provision for escalation mail, in violation of instructions issued by GoI. Further, the Company could not complete data digitalisation work due to lack of strict monitoring to secure cooperation from district authorities in providing essential amenities required for the work (*viz.* office space, speedy transfer of records/registers, *etc.*). In absence of digitised database, none of the services could be provided 'instantaneously' across the counter even after seven years from state-wide rollout of e-District project in September 2015.

Against actual expenditure of ₹ 51.43 crore (including agency commission of ₹ 2.45 crore) incurred for operation and maintenance of Assam State Wide Area Network, the Company received ₹ 39.55 crore from GoA. The balance amount of ₹ 11.88 crore was not received as of March 2023. Further, in 62 out of 287 points of presence (PoPs) which were non-functional (zero uptime), the Company incurred idle expenditure of ₹ 0.91 crore on deployment of manpower in 19 PoPs without analysing the reasons for zero uptime.

The Company did not have inbuilt mechanism to deal with e-waste in compliance with the E-Waste (Management) Rules 2016.

The monitoring mechanism in place for implementation/operation of projects, internal audit and preparation of annual accounts was found to be inadequate.

Recommendations

The Company should:

1. ***formulate short and long term plan for business development in new areas and enhance its business operations by taking advantage of the changing business scenario in light of GoA's IT Policy.***
2. ***carry out cost cutting measures by rationalising manpower management and adopting a more competitive pricing policy to make its existing commercial activities viable and for new activities in future.***
3. ***initiate steps to improve its project management to achieve the envisaged objectives of the projects entrusted by Government in a time bound manner.***
4. ***strengthen its financial management by exercising due diligence in recovery of dues to improve its financial health.***

CHAPTER-III
COMPLIANCE AUDIT PARAGRAPHS RELATING TO STATE PUBLIC SECTOR ENTERPRISES

CHAPTER - III

COMPLIANCE AUDIT PARAGRAPHS RELATING TO STATE PUBLIC SECTOR ENTERPRISES

Important audit findings emerging from test check during the audit of the SPSEs are included in this chapter.

DNP Limited

3.1 Avoidable Expenditure

The procurement process of a new compressor (February 2021) at a cost of ₹ 30.61 crore was done without ensuring competitive price discovery and was in violation of the rules. Two new compressors also remained underutilised to the extent of 59 per cent.

The Finance Department, Government of Assam (GoA) vide its notification (July 2018) instructed all Administrative Departments and its subordinate Directorates/Offices/ Agencies to use e-procurement portal for procurement of all goods, services and works valued ₹ 50 lakh and above from 1 August 2018. Further, as per Rule 254 of the Assam Financial Rules (AFR), sealed tenders should invariably be invited by advertisement.

As per Sl. No. 5 of Central Vigilance Commission (CVC) guidelines issued (2006) on "Shortcomings/lapses observed in stores/purchase contracts", the placement of repeat order on the basis of the rate discovered in earlier contract was not judicious without ascertaining the current market rate and could only be considered as a favour to the firm. Further, clause 17 of CVC guidelines issued in November 2002 stated that payment of mobilisation advance should be made only in cases of select works and that the advance should be interest bearing so that the contractor does not draw undue benefit.

Scrutiny of records (April 2023) revealed, DNP Limited (Company) was engaged in transportation of natural gas through its dedicated pipeline received from Oil India Limited (OIL) for transmission to Numaligarh Refinery Limited (NRL) by operating three gas engine driven compressors (one compressor kept on standby), which were installed and commissioned (February/March 2011) by Kirloskar Pneumatic Company Limited (KPCL). The Company was supplying one MMSCMD[111] gas with an annual contracted quantity of 300 MMSCM. As on March 2022, the three existing gas engine driven compressors of the Company had run 12th year of the shelf life of 25 years.

Audit noticed that the Company awarded (August 2019) the work for procurement of a new compressor to KPCL at a cost of ₹ 29.15 crore after inviting tender, which was

[111] Million Metric Standard Cubic Meters per Day

installed and commissioned after 21 months[112] in May 2021. Further, another new compressor was also procured (February 2021) at a cost of ₹ 30.61 crore from the same supplier (KPCL) without inviting tender by repeating the order at the rate quoted by KPCL in August 2019, in violation of guidelines issued by GoA (July 2018) and CVC (2006). The Company, thus, did not ensure competitive price discovery by ascertaining current market price through e-procurement portal of GoA before purchasing this compressor. It was also noticed that for procuring the above two compressors, the Company paid interest free mobilisation advance amounting to ₹ 12.66 crore to KPCL in contravention of CVC guidelines, the recovery of which started only after 4 to 9 months in 3 to 4 instalments. The compressor was installed and commissioned in November 2022. The two new compressors started operations from June 2021 and December 2022 respectively.

Audit noticed that though the Company had taken decisions in its Board meeting (June 2018 and February 2021) to purchase these new compressors with the objective of meeting future increase in business and the fact that the existing compressors were getting old, till the date of Audit (April 2023), the Company had not taken any action to construct new pipelines in order to increase its business for supply to new customers. It was, further, seen that Petroleum and Natural Gas Regulatory Board (PNGRB) had discussed (November 2020) the idea of declaring the pipeline as 'common carrier'[113] with the Company prior to issue of a public notice for the same, which was essential to expand its future business. Citing the above ground, the Company sought (December 2020) approval from the Board of Directors (BoD) to procure the fifth compressor, which was approved by the BoD. Meanwhile, the Company clearly abandoned that idea as evident from its reply (December 2020) to PNGRB that the Company did not have demand from fresh customers or pipeline entities and such ventures would require detailed techno-commercial examination, additional capital and revenue expenditure. Nor did, the Company take up with OIL/Central Government or make any effort to increase supply of natural gas by increasing its allocation during 2017-2022. Thus, the existing supply level of one MMSCMD with an annual contracted capacity of 300 SCM to NRL remained constant.

Thus, it is evident that even as the Company purchased and installed two additional compressors in May 2021 and November 2022 at a cost of ₹ 59.76 crore, it did not have any plan for increasing business, nor had it taken any measure for the same.

The procurement of two new compressors also lacked justification as seen from the insufficient utilisation of existing installed capacity. Audit observed that the utilised capacity against installed capacity (6,312 KW) for the existing three compressors upto May 2021 was to the extent of 4,208 KW (66 *per cent*) by keeping one compressor as

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[112] The excessive time (21 months) taken to complete the work compared to the approved schedule (14 months) was primarily due to the fact that the machines were imported from USA and the global pandemic situation during the work period.

[113] Common carrier means such pipelines used for transportation of petroleum, petroleum products and natural gas by more than one entity as the PNGRB may declare or authorise from time to time.

standby. With the procurement of two additional compressors having installed capacity of 5,592 KW, total installed capacity went up to 11,904 KW. However, the actual utilised capacity remained constant at 4,900 KW[114] (41 *per cent*) for the last 2 years due to non-expansion of business. Further, now, instead of one compressor that was initially kept as standby, three compressors are effectively being kept as standby. In absence of increased business, the procurement of two additional compressors instead of enhancing productivity of the Company had only increased the maintenance charges from ₹ 0.16 crore in 2017-18 to ₹ 0.29 crore in 2023-24.

Thus, process of procurement of a new compressor (₹ 30.61 crore) in February 2021 was in violation of the extant rules/guidelines of the GoA and CVC. Further, the Company extended undue favour of ₹ 12.66 crore[115] towards mobilisation advance for procurement of two compressors and the amount would have earned interest of ₹ 0.31 crore. Also, the procurement was avoidable as the compressors were underutilised to the extent of 59 *per cent*.

The Company in its reply, which was also endorsed by the Government, stated (September 2020) that it did not invite tender during procurement of the fifth compressor, since KPCL had already participated in the earlier tender process. Further, the compressors were procured due to the existing compressors getting old and future increase in business.

The reply is not tenable as the invitation of tender to obtain most competitive pricing is the very essence of procurement process under the extant rules and guidelines. Further, there were no known operational inefficiencies with the existing compressors whose economic useful life was designed for upto 25 years since its installation that warranted purchase of new compressors. Moreover, the Company did not have any new demand from fresh customers or pipeline entities and the required additional capital and revenue expenditure. The Company also had not taken up with OIL/Central Government to increase its natural gas allocation for its expansion plans.

***Recommendation**: The Company should explore the possibility of increasing its supply of natural gas to customers to enhance utilisation of the installed capacity in future.*

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[114] As per information furnished by the Company, the utilized capacity was mentioned as 4,208/4,900 KW. As such the higher of the two was considered on the conservative side.

[115] ₹ 3.93 crore (January/February 2020) + ₹ 8.73 crore (March/May 2021).

3.2 Non-imposition of Penal Interest

The Company suffered loss of ₹ 3.68 crore due to failure to impose penal interest as required under the Gas Transportation Agreement.

Assam Gas Company Limited (AGCL) signed (June 2005) a Gas Transportation Agreement (GTA) with Numaligarh Refinery Limited (NRL) for transportation of natural gas from off-take point of Oil India Limited (OIL) to Numaligarh for use in the refinery of NRL. Subsequently, AGCL, assigned (March 2009) the GTA to DNP Limited (Company) after its incorporation, for executing the natural gas transportation agreement with NRL from Duliajan to Numaligarh. The Transportation tariff was fixed (April 2012) by an Apex Level Committee consisting of members of AGCL, NRL and OIL at ₹ 2,496/TSCM[116] effective retrospectively from March 2011 (with annual escalation of 3 *per cent*) and to be reviewed in future.

Further, Clause 9.02 and 9.03 of the GTA stated that:

NRL would pay the Company for invoices within 30 days from date of invoice. In the event, NRL had any objection, it should after making the full payment of the invoice, inform the Company of the objections. NRL and the Company should meet and settle any such objections to the satisfaction of both the parties. Any adjustment arising out of the same should be made in the subsequent month's invoice immediately following the month in which such settlement was arrived at; *(Clause 9.02)*

In the event of delay in payment of invoices beyond 30 days of invoice, interest for such delayed payments would be payable by NRL to the Company or vice versa, as the case may be, for the period from the due date till date of actual settlement at 0.50 *per cent* over the cash credit rate chargeable by State Bank of India (SBI), from time to time. *(Clause 9.03)*

However, after six years of the fixation (April 2012) of tariff, NRL requested (February 2018) the Company to review the transportation tariff. During the course of negotiation, NRL informed (June 2018) the Company that from April 2018 onwards, the transportation tariff would be paid on ad hoc basis on rate applicable for March 2018. Accordingly, NRL paid transportation charges during April 2018 to August 2022 on *ad hoc* basis at a fixed rate of ₹ 2,980.36/TSCM instead of applicable rate ranging between ₹ 3,069.77/TSCM to ₹ 3,256.72/TSCM (including 3 *per cent* annual escalation). This was not as per the terms of agreement, wherein NRL was liable to pay the full amount of transportation charges even where there was any objection to the tariff.

Subsequently, based on negotiations, the Company, finally fixed (April 2022) the rate at ₹ 2,990/TSCM for three years, with effect from April 2021. Accordingly, NRL started paying at the new tariff rate from September 2022 and released an amount of

[116] Trillion Standard Cubic Meters

₹ 18.01 crore towards the difference of tariff withheld earlier to the Company for the period from April 2018 to August 2022. The Company, however, did not charge penal interest on NRL amounting to ₹ 3.68 crore[117] for delayed payment of the withheld amount of tariff payable to the Company for the period from April 2018 to August 2022 as required under GTA.

Thus, the Company suffered loss of ₹ 3.68 crore due to failure to impose penal interest as required under the Gas Transportation Agreement.

The Company in its reply, which was also endorsed by the Government, reiterated (September 2023) the above mentioned facts, but was silent on the reasons for non-imposition of penalty as stipulated under GTA.

***Recommendation**: The Company should take steps to impose penal interest on NRL as required under the Gas Transportation Agreement.*

[117] Interest calculated for the period from April 2018 to August 2022, considering the SBI base lending rate as applicable from time to time, since cash credit rate was not available.

Assam State Warehousing Corporation

3.3 Unfruitful Investment

Due to weak project management and inadequate monitoring of the work on the part of the Corporation, two cold storage projects remained incomplete after 8 years and the expenditure of ₹ 8.98 crore remained unfruitful. The Corporation also lost the opportunity of earning potential revenue of ₹ 2.56 crore as rent due to non-completion of the two cold storages.

Government of Assam (GoA) sanctioned (March 2012) ₹ 15.01 crore to Assam State Warehousing Corporation (Corporation) for construction of cold storage of 2,000 MT capacity each at Sarupathar (₹ 7.46 crore) and Karimganj (₹ 7.55 crore). The Corporation invited tenders (March 2012) and issued (June 2012) Letter of Acceptance (LoA) for both the works to the L1 bidder, *viz*., M/s Engineer's Guild, Guwahati and final work order was issued in October 2012 at a cost of ₹ 14.39 crore (Sarupathar: ₹ 7.01 crore and Karimganj: ₹ 7.38 crore). The contractor started execution of the works in November 2012.

Further, as per the contract agreement, the contractor was to complete both the works within 24 months (*i.e.,* October 2014) from the date of their commencement (November 2012). As per clause 32 of the bid documents, the contractor was to submit performance security of 2 *per cent* of the contract price within 21 days of receipt of LoA to be valid up to 30 days from the date of expiry of defect liability period *i.e.,* November 2014. Accordingly, the Corporation obtained (June 2012) a performance security of ₹ 0.34 crore[118] against works with validity upto September 2015. The contract also provided for secured advance to the contractor to the extent of 90 *per cent* of the value of secured materials[119].

Audit observed that as per inspection report of the Corporation (November 2015), one year after the target date of completion, the physical progress of the work was stated to be 23 *per cent* at Sarupathar and 44 *per cent* at Karimganj. However, the financial progress of the works at Sarupathar and Karimganj was 34.56 *per cent* (₹ 2.42 crore) and 52.76 *per cent* (₹ 3.89 crore) respectively. The total expenditure incurred as of November 2015 worked out to be ₹ 6.31 crore[120] as against the total approved project cost of ₹ 14.39 crore. The physical progress was however not commensurate with the financial progress in both the works as more funds were released to the contractor without the corresponding physical progress. Despite that the contractor stated from time to time that the delay was due to his financial difficulty. The Corporation released (March/May 2017) an additional amount of ₹ 1.73 crore (Sarupathar: ₹ 1.13 crore and Karimganj: ₹ 0.60 crore) without any justifiable reasons. The Corporation

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[118] ₹ 0.17 crore against Sarupathar and ₹ 0.17 crore against Karimganj

[119] Equipment and other material actually brought at site by the contractor.

[120] Including mobilisation advance.

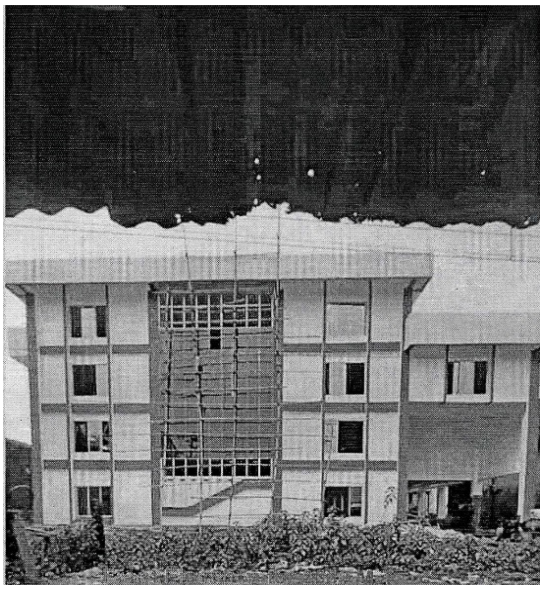
finally terminated (December 2017) the contract and decided to complete the work through other agencies at the risk and cost of the contractor.

Audit, however, noticed that in February 2020 after a lapse of two years, the Corporation instead of getting the work completed at the risk and cost of the contractor as decided earlier, decided to allow the old contractor to continue the works and to complete by April 2021. Further, an additional amount of ₹ 1.93 crore was released against the works at Karimganj (September 2020 to March 2021). Hence, by April 2021, a total of ₹ 8.57 crore[121] had been released to the contractor against the project cost of ₹ 14.39 crore, though the project remained incomplete as per the approved extended date of completion.

Sarupathar

Physical Progress: 45.29 *per cent*

Karimganj



Physical Progress: 83.60 *per cent*

Despite non-completion of the project within the extended target date of completion (April 2021), there was no documentary evidence of the action taken by the Corporation to get the work completed during May 2021 to August 2023, indicating weak monitoring of the work. In August 2023, Audit noticed that the Corporation conducted inspection of the project sites after 2 years and 3 months after the extended target date of completion (April 2021), which indicated that the physical progress of work at Sarupathar was 45.29 *per cent* and Karimganj was 83.60 *per cent* as against physical progress of 23 *per cent* (Sarupathar) and 44 *per cent* (Karimganj) in November 2015. Thus, the project had been delayed for more than 8 years from the

[121] ₹ 2.76 crore (Sarupathar) and ₹ 5.81 crore (Karimganj). This excludes mobilisation/secured advance details of which were not available with Audit.

initial target date of completion (October 2014). As of August 2023, a total of ₹ 8.98 crore[122] had been released to the contractor by the Corporation.

Thus, it is evident that due to weak project management and inadequate monitoring of the work on the part of the Corporation, the progress of the project was tardy and stalled at every stage during the period of execution of the project and remained incomplete for more than 8 years of the original scheduled completion date (October 2014). Consequently, the expenditure of ₹ 8.98 crore (₹ 3.17 crore against Sarupathar and ₹ 5.81 crore against Karimganj) incurred for the project remained unfruitful. The Corporation also lost the opportunity of earning potential revenue of ₹ 2.56 crore (₹ 0.32 crore[123] per year) as rent due to non-completion of the two cold storages for eight years.

The Corporation in its reply mentioned (October 2023) that the works were delayed due to site problems faced by the contractor and that the project cost would have gone up if it had terminated the contract. The reply is not tenable as the Corporation should have ensured that the project was completed within the original stipulated timeframe so as to prevent cost escalation. Further, the project still remained incomplete even after 10 years of the work order (October 2012) leading to blockage of funds as well as foregoing the opportunity to earn revenue from them.

***Recommendation**: The* Corporation *should take steps to get the works completed without any further delay and utilise the warehouses to start generating revenue.*

The matter was reported (September 2023) to the Government; their replies have not been received (October 2023).

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[122] ₹ 3.17 crore (Sarupathar) and ₹ 5.81 crore (Karimganj). This excludes mobilisation/secured advance details of which were not available with Audit.

[123] Calculated on the basis of rates applicable for Food Corporation of India against Bongaigaon Warehouse Centre during April 2017 (40,000 bags x ₹ 3.38 per bag per month x 12 months).

Assam Gas Company Limited

3.4 Loss of Interest Income

Failure of the Company to split the high value STDs (valuing ₹ 2.08 crore each) into less than ₹ 2.00 crore denomination at the time of their renewal led to loss of ₹ 0.43 crore towards interest income.

Failure of Assam Gas Company Limited (Company) to review its investment in Short Term Deposits (STDs) of banks, which resulted in loss of interest income was pointed out in paragraph 3.8 and paragraph 2.5.3 of the Report of the Comptroller and Auditor General of India (PSUs) - Government of Assam (GoA) for the year ended 31 March 2012 and 31 March 2019 respectively. This was also discussed by the Committee on Public Undertakings (COPU), which had recommended (August 2020) that the Company should make a separate investment policy[124].

However, during subsequent (July 2023) review of the Company, Audit noticed that the Company was yet to adopt an investment policy duly approved by the Board of Directors and continued to make investments ignoring prudent practice for securing higher interest rates to maximise returns.

The Company invested (7 August 2021) ₹ 15.92 crore by splitting it into eight STDs valuing ₹ 1.99 crore each at interest rate of 5 *per cent* per annum for a period of one year (maturity value: ₹ 2.09 crore each). The Company reinvested (7 August 2022) the matured amount of ₹ 16.64 crore (after deduction of tax) with State Bank of India (SBI) in STDs for a denomination of above ₹ 2.00 crore, which yielded less return as compared to STDs for denomination below ₹ 2.00 crore. The Company, while reinvesting (7 August 2022) the above eight matured STDs (₹ 2.08 crore each), failed to instruct SBI to split the STDs into a denomination of less than ₹ 2 crore, which yield higher returns on the investment. As such, the STDs were auto-renewed by SBI at an interest rate of only 2.70 *per cent* per annum despite higher rate of interest (5.30 *per cent*) being available on STDs of amounts less than ₹ 2.00 crore denomination on the date of renewal. The above investments were done without approval of the Board of Directors. No investment policy to guide such investment decisions in order to maximise its returns was available despite having been recommended by Audit and COPU earlier.

Thus, failure of the Company to split the high value STDs (valuing ₹ 2.08 crore each) into less than ₹ 2.00 crore denomination at the time of their renewal led to loss of ₹ 0.43 crore towards interest income.

The Company in its reply stated (September 2023) that the STDs were under lien and as such were put in auto renewal mode.

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[124] Paragraph 3.8 has been discussed by the COPU, while paragraph 2.5.3 has not yet been taken up for discussion.

The reply is not tenable as due to failure of the Company to request the SBI for splitting high value STDs into lesser denominations to earn higher interest during August 2022, the STDs were auto-renewed by the bank resulting in loss of interest income. The Company, however, was silent on its non-compliance to COPU's recommendation for framing Investment Policy.

***Recommendation**: GoA/Company should fix responsibility for the loss of interest income on STDs invested in SBI due to failure to take timely action with the bank to earn higher returns. The need for a separate investment policy is also reiterated.*

The matter was reported (August 2023) to the Government; their replies have not been received (October 2023).

Assam State Film (Finance and Development) Corporation Limited

3.5 Non-claiming of income tax refund

Failure of the Company to submit income tax returns during 2014-15 to 2021-22 and claim refund of income tax deducted at source, resulted in foregoing of ₹ 0.04 crore against the years 2014-16, for which the condonation period is over, while ₹ 0.31 crore was not claimed against the years 2016-22, for which the condonation period of six years was available.

Income Tax Act, 1961 (Act), Section 139 provides that every person, including a company or firm should furnish income tax return (ITR) before the due date, if the assessee's total income assessable under the Act, exceeded the maximum amount which is not chargeable to income tax. Further, as per Section 239 every claim for refund shall be made by furnishing ITR in accordance with the provisions of section 139 and as per Section 119(2)(b)[125] no condonation application for claim of refund/loss shall be entertained beyond six years from the end of the assessment year for which such application/claim is made.

Assam State Film (Finance and Development) Corporation Limited (Company) was incorporated in September 1974 by GoA for development of Assamese Cinema. During the financial years during 2014-15 to 2021-22, the Company suffered losses in the range of ₹ 15.52 lakh (2016-17) to ₹ 72.08 lakh (2019-20).

Scrutiny of the annual tax statements of the Company issued by the Income Tax Department under section 203AA of the Income Tax Act, 1961 revealed that various institutions[126] had deducted income tax at source amounting to ₹ 0.35 crore during 2014-15 to 2021-22 from the income earned by the Company. As the Company had incurred losses since 2014-15 to 2021-22 in all the years[127], it could have claimed refund of income tax deducted at source by filing ITRs as per Section 139 mentioned

[125] read with Circular No. 9 of 2015 dated 9 June 2015
[126] Banks, Public and Private Sector institutions etc.
[127] The Company finalised its accounts till 2015-16 and prepared provisional accounts till 2021-22.

above. However, the Company, did not file ITRs nor claim any refund from the Income Tax Department in a timely manner. No reasons were recorded for the same.

Thus, failure of the Company to file ITR and claim refund of income tax deducted at source during 2014-15 to 2021-22 led to foregoing of ₹ 0.04 crore against the years 2014-16, for which the condonation period is over, while ₹ 0.31 crore was not claimed against the years 2016-22, for which the condonation period of six years was still available.

***Recommendation**: The Company should ensure timely submission of income tax returns to Income Tax Department and claim refund of income tax deducted at source amounting to ₹ 0.31 crore within the condonation period as provided under the Act to avoid further financial loss on this account.*

The matter was reported (September 2023) to the Government/Company; their replies have not been received (October 2023).

Guwahati
The: 25 July 2024

(KUMAR ABHAY)
Accountant General (Audit), Assam

Countersigned

New Delhi
The: 16 August 2024

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix 1

Statement showing the investment made by State Government in SPSEs whose accounts are in arrears as on 30 September 2023

(Reference: Paragraph 1.2.5)

(Figures in columns 4 & 6 to 8 are ₹ in crore)

Sl. No.	Name of SPSE	Year up to which accounts finalised	Paid up capital	Periods of accounts pending finalisation	Investment made by State Governments during the years for which the accounts are in arrears		
					Equity	Loans	Grants
1	2	3	4	5	6	7	8
A	**Working SPSEs (Power Sector)**						
1	Assam Power Distribution Company Limited	2021-22	4,736.14	1	0.00	36.68	910.15
	Total (A)		**4,736.14**		**0.00**	**36.68**	**910.15**
B	**Working SPSEs (other than Power sector)**						
1	Assam Livestock and Poultry Corporation Limited	2017-18	2.19	5	0.00	0.00	21.43
2	Assam Tea Corporation Limited	2014-15	27.54	8	0.00	576.48	25.00
3	Assam Plantation Crop Development Corporation Limited	2013-14	5.00	30	0.00	7.90	2.69
4	Assam Plains Tribes Development Corporation Limited	2020-21	2.95	2	0.00	0.00	34.66
5	Assam Food and Civil Supplies Corporation Limited	2020-21	12.19	2	0.00	0.00	35.00
6	Assam State Development Corporation for Other Backward Classes Limited	2021-22	3.40	1	0.00	0.00	4.06
7	Assam Minorities Development & Finance Corporation Limited	1997-98	0.01	25	2.40	0.00	0.00
8	Assam State Development Corporation for Scheduled Castes Limited	2017-18	10.10	5	0.00	0.00	31.19
9	Assam State Film (Finance & Development) Corporation Limited	2015-16	0.10	7	0.00	0.00	7.08
10	Assam Hills Small Industries Development Corporation Limited	2006-07	2.00	16	0.00	27.51	10.60
11	Assam Small Industries Development Corporation Limited	2014-15	6.67	8	0.00	0.00	0.49
12	Ashok Paper Mill (Assam) Limited	2018-19	0.01	4	0.00	0.52	0.00
13	Assam Trade Promotion Organisation	2021-22	10.00	1	0.00	0.00	0.34
14	Assam Tourism Development Corporation Limited	2020-21	0.39	2	0.00	0.00	130.11
15	Assam Medical Services Corporation Limited	2021-22	5.50	1	3.04	0.00	0.00
	Total (B)		**88.05**		**5.44**	**612.41**	**302.65**
	Total (A + B)		**4,824.19**		**5.44**	**649.09**	**1,212.80**
C	**Statutory Corporations**						
1	Assam State Transport Corporation	2021-22	167.73	1	0.00	0.00	100.79
	Total (C)		**167.73**		**0.00**	**0.00**	**100.79**
	Total (A + B + C)		**4,991.92**		**5.44**	**649.09**	**1,313.59**

Sl. No.	Name of SPSE	Year up to which accounts finalised	Paid up capital	Periods of accounts pending finalisation	Investment made by State Governments during the years for which the accounts are in arrears		
					Equity	Loans	Grants
1	2	3	4	5	6	7	8
D	**Non-Power sector SPSEs (Non-working)**						
1	Assam Agro-Industries Development Corporation Limited	2009-10	2.20	13	1.10	0.00	0.00
2	Assam State Minor Irrigation Development Corporation Limited	2011-12	17.35	11	0.00	0.00	7.15
Total (D)			**19.55**		**1.10**	**0.00**	**7.15**
Total (A + B+C+D)			**5,011.47**		**6.54**	**649.09**	**1,320.74**

Appendix 2

Statement showing position of total investment (equity and long-term loans) in SPSEs as on 31 March 2023

(Reference: Paragraph 1.1.5 and 1.1.6)

(Figures in Columns 5(a) to 6(d) and 7 are ₹ in crore)

Sl. No.	Name of SPSE	Name of Department	Month and year of incorporation	Equity[128] at close of the year 2022-23				Long term loans outstanding at close of the year 2022-23				Total investment (equity and loans) as on 31 March 2023	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
A. Power sector SPSEs													
1	Assam Power Generation Corporation Ltd.	Power	23-10-2003	2,428.71	0.00	0.00	2,428.71	17.70	0.00	371.97	389.67	2,818.38	961
2	Assam Electricity Grid Corporation Ltd.	Power	23-10-2003	2,693.39	0.00	0.00	2,693.39	12.40	0.00	0.00	12.40	2,705.79	1691
3	Assam Power Distribution Company Ltd.	Power	23-10-2003	4,824.81	0.00	0.00	4,824.81	93.12	0.00	343.07	436.19	5,261.00	14,266
Total (A)				**9,946.91**	**0.0**	**0.0**	**9,946.91**	**123.22**	**0.0**	**715.04**	**838.26**	**10,785.17**	**16,918**
B. Non-Power sector SPSEs (Working)													
AGRICULTURE & ALLIED													
4	Assam Seeds Corporation Ltd.	Agriculture	27-01-1967	1.46	0.00	0.00	1.46	3.89	0.00	0.00	3.89	5.35	96
5	Assam Fisheries Development Corporation Ltd.	Fisheries	01-03-1977	0.49	0.00	0.00	0.49	0.00	0.00	0.00	0.00	0.49	22
6	Assam Livestock and Poultry Corporation Ltd.	Animal Husbandry	02-06-1984	0.07	2.12	0.00	2.19	0.00	0.00	0.00	0.00	2.19	25
7	Assam Tea Corporation Ltd.	Industries & Commerce	02-04-1972	29.54[129]	0.00	0.00	29.54	765.38	0.00	0.00	765.38	794.92	14,167
8	Assam Plantation Crop	Soil	11-01-1974	5.00	0.00	0.00	5.00	8.99	0.00	0.00	8.99	13.99	18

[128] Equity includes share application money - Assam Tea Corporation Ltd.: ₹ 2 crore, Assam Minorities Development and Finance Corporation Ltd.: ₹ 2.40 crore, Assam Industrial Development Corporation Ltd.: ₹ 7.58 crore and Assam State Textiles Corporation Ltd.: ₹ 0.32 crore.

[129] Includes Preference Share Capital of ₹ 0.14 crore.

Sl. No.	Name of SPSE	Name of Department	Month and year of incorporation	Equity[128] at close of the year 2022-23				Long term loans outstanding at close of the year 2022-23				Total investment (equity and loans) as on 31 March 2023	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
	Development Corporation Ltd.	Conservation											
9	Assam Food and Civil Supplies Corporation Ltd.	Food Civil Supplies & Consumer Affairs	23-09-2014	12.19	0.00	0.00	12.19	0.00	0.00	0.00	0.00	12.19	342
Sector wise total				**48.75**	**2.12**	**0.00**	**50.87**	**778.26**	**0.00**	**0.00**	**778.26**	**829.13**	**14,670**
FINANCE													
10	Assam Plains Tribes Development Corporation Ltd.	Welfare of Plains Tribes & Backward Classes	29-03-1975	2.20	0.75	0.00	2.95	0.00	0.00	14.61	14.61	17.56	104
11	Assam State Development Corporation for Other Backward Classes Ltd.	Welfare of Plains Tribes & Backward Classes	08-06-1975	3.40	0.00	0.00	3.40	0.00	0.00	0.00	0.00	3.40	37
12	Assam Minorities Development and Finance Corporation Ltd.	Welfare of Minorities	27-02-1997	2.41	0.00	0.00	2.41	0.00	0.00	8.37	8.37	10.78	-
13	Assam State Development Corporation for Scheduled Castes Ltd.	Welfare of Plains Tribes & Backward Classes	18-01-1975	5.59	4.51	0.00	10.10	0.00	0.00	0.00	0.00	10.10	52
14	Assam State Film (Finance & Development) Corporation Ltd.	Cultural Affairs	09-04-1974	0.10	0.00	0.00	0.10	0.04	0.00	0.00	0.04	0.14	13

Sl. No.	Name of SPSE	Name of Department	Month and year of incorporation	Equity[128] at close of the year 2022-23				Long term loans outstanding at close of the year 2022-23				Total investment (equity and loans) as on 31 March 2023	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
Sector wise total				**13.70**	**5.26**	**0.00**	**18.96**	**0.04**	**0.00**	**22.98**	**23.02**	**41.98**	**206**
INFRASTRUCTURE													
15	Assam Hills Small Industries Development Corporation Ltd.	Hills Areas	30-03-1964	2.00	0.00	0.00	2.00	41.51	0.00	0.00	41.51	43.51	75
16	Assam Industrial Development Corporation Ltd.	Industries & Commerce	21-04-1965	139.21	0.00	0.00	139.21	86.35	0.00	0.00	86.35	225.56	151
17	Assam Small Industries Development Corporation Ltd.	Industries & Commerce	27-03-1962	6.67	0.00	0.00	6.67	5.19	0.00	0.00	5.19	11.86	74
18	Assam Electronics Development Corporation Ltd.	Information Technology	04-04-1984	9.46	0.00	0.00	9.46	0.55	0.00	0.00	0.55	10.01	251
19	Assam Mineral Development Corporation Ltd.	Mines and Mineral	19-05-1983	4.89	0.00	0.00	4.89	0.00	0.00	0.00	0.00	4.89	73
20	Assam Police Housing Corporation Ltd.	Home	11-05-1980	0.04	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.04	108
21	Assam Trade Promotion Organisation	Industries & Commerce	17-02-2010	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	3
Sector wise total				**172.27**	**0.00**	**0.00**	**172.27**	**133.60**	**0.00**	**0.00**	**133.60**	**305.87**	**735**
MANUFACTURING													
22	Assam Petro-Chemicals Ltd.	Industries & Commerce	22-04-1971	232.25	0.00	387.77	620.02	0.00	0.00	924.65	924.65	1,544.67	412
23	Ashok Paper Mill (Assam) Ltd.	Industries & Commerce	06-07-1991	0.01	0.00	0.00	0.01	2.04	0.00	0.00	2.04	2.05	7
24	Assam Hydro-Carbon and Energy Company Ltd.	Industries & Commerce	02-05-2006	61.00	0.00	0.00	61.00	0.00	0.00	0.00	0.00	61.00	9
25	Amtron Informatics (India) Ltd.	Information Technology	27-03-2002	0.00	0.00	0.01	0.01	0.00	0.00	1.20	1.20	1.21	0

Sl. No.	Name of SPSE	Name of Department	Month and year of incorporation	Equity[128] at close of the year 2022-23				Long term loans outstanding at close of the year 2022-23				Total investment (equity and loans) as on 31 March 2023	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total	7	8
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)		
26	Assam State Fertilizers and Chemicals Ltd.	Industries & Commerce	30-03-1988	0.00	0.00	4.93	4.93	10.76	0.00	0.00	10.76	15.69	18
Sector wise total				**293.26**	**0.00**	**392.71**	**685.97**	**12.80**	**0.00**	**925.85**	**938.65**	**1,624.62**	**446**
SERVICES													
27	Assam Tourism Development Corporation Ltd.	Tourism	06-06-1988	0.39	0.00	0.00	0.39	0.00	0.00	0.00	0.00	0.39	180
28	Assam Medical Services Corporation Limited	Health	22-06-2016	8.54	0.00	0.00	8.54	0.00	0.00	0.00	0.00	8.54	45
Sector wise total				**8.93**	**0.00**	**0.00**	**8.93**	**0.00**	**0.00**	**0.00**	**0.00**	**8.93**	**225**
MISCELLANEOUS													
29	Assam Government Marketing Corporation Ltd.	Handloom Textile & Sericulture	16-12-1959	2.16	1.34	0.00	3.50	0.00	0.00	0.00	0.00	3.50	33
30	Assam State Textbook Production and Publication Corporation Ltd.	Education	03-03-1972	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00	48
31	Assam Gas Company Ltd.	Industries & Commerce	31-03-1962	16.91	0.00	0.00	16.91	0.00	0.00	41.27	41.27	58.18	325
32	DNP Ltd.	Industries & Commerce	15-06-2007	0.00	0.00	167.25	167.25	0.00	0.00	25.00	25.00	192.25	31
33	Purba Bharti Gas Private Ltd.	Industries & Commerce	19-11-2019	0.00	0.00	121.91	121.91	0.00	0.00	0.00	0.00	121.91	25
Sector wise total				**20.07**	**1.34**	**289.16**	**310.57**	**0.00**	**0.00**	**66.27**	**66.27**	**376.84**	**462**
Total (B)				**556.98**	**8.72**	**681.87**	**1,247.57**	**924.70**	**0.00**	**1,015.10**	**1,939.80**	**3,187.37**	**16,744**

Sl. No.	Name of SPSE	Name of Department	Month and year of incorporation	Equity[128] at close of the year 2022-23				Long term loans outstanding at close of the year 2022-23				Total investment (equity and loans) as on 31 March 2023	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
Total (A+B)				**10,503.89**	**8.72**	**681.87**	**11,194.48**	**1,047.92**	**0.00**	**1,730.14**	**2,778.06**	**13,972.54**	**33,662**
C. Statutory Corporations													
FINANCE													
1	Assam Financial Corporation	Finance	04-01-1954	26.85	0.00	5.55	32.40	54.00	0.00	0.00	54.00	86.40	82
Sector wise total				**26.85**	**0.00**	**5.55**	**32.40**	**54.00**	**0.00**	**0.00**	**54.00**	**86.40**	**82**
SERVICE													
2	Assam State Transport Corporation	Transport	03-01-1970	157.47	10.26	0.00	167.73	0.00	0.00	8.23	8.23	175.96	3,054
3	Assam State Warehousing Corporation	Co-operation	08-01-1958	8.00	5.47	0.00	13.47	4.25	0.00	0.00	4.25	17.72	255
Sector wise total				**165.47**	**15.73**	**0.00**	**181.20**	**4.25**	**0.00**	**8.23**	**12.48**	**193.68**	**3,309**
Total (C)				**192.32**	**15.73**	**5.55**	**213.60**	**58.25**	**0.00**	**8.23**	**66.48**	**280.08**	**3,391**
Grand Total (A + B + C)				**10,696.21**	**24.45**	**687.42**	**11,408.08**	**1,106.17**	**0.00**	**1,738.37**	**2,844.54**	**14,252.62**	**37,053**
D. Non-working SPSEs													
AGRICULTURE & ALLIED													
1	Assam Agro-Industries Development Corporation Ltd.	Agriculture	27-01-1975	2.20	0.00	0.00	2.20	6.76	0.00	0.50	7.26	9.46	2
2	Assam State Minor Irrigation Development Corporation Ltd.	Irrigation	15-10-1980	17.35	0.00	0.00	17.35	0.00	0.00	0.00	0.00	17.35	-
Sector wise total				**19.55**	**0.00**	**0.00**	**19.55**	**6.76**	**0.00**	**0.50**	**7.26**	**26.81**	**2**
INFRASTRUCTURE													
3	Assam Power Loom	Industries &	03-05-1990	3.54	0.00	1.00	4.54	0.00	0.00	0.08	0.08	4.62	-

Sl. No.	Name of SPSE	Name of Department	Month and year of incorporation	Equity[128] at close of the year 2022-23				Long term loans outstanding at close of the year 2022-23				Total investment (equity and loans) as on 31 March 2023	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total	7	8
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)		
	Development Corporation Ltd.	Commerce											
4	Assam Government Construction Corporation Ltd.	PWD (R&B)	24-03-1964	2.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	2.00	6
Sector wise total				**5.54**	**0.00**	**1.00**	**6.54**	**0.00**	**0.00**	**0.08**	**0.08**	**6.62**	**6**
MANUFACTURING													
5	Assam Conductors and Tubes Ltd.	Industries & Commerce	22-06-1964	1.54	0.00	0.00	1.54	3.56	0.00	0.00	3.56	5.10	3
6	Assam State Textiles Corporation Ltd.	Industries & Commerce	26-02-1980	15.76	0.00	0.00	15.76	6.07	0.00	0.00	6.07	21.83	7
7	Pragjyotish Fertilizers and Chemicals Ltd.	Industries & Commerce	27-02-2004	0.00	0.00	2.33	2.33	0.00	0.00	0.00	0.00	2.33	1
8	Assam Tanneries Ltd.	Industries & Commerce	28-09-1961	0.01	0.00	0.01	0.02	0.00	0.00	0.00	0.00	0.02	-
9	Industrial Papers (Assam) Ltd.	Industries & Commerce	09-06-1974	0.00	0.00	0.40	0.40	0.00	0.00	0.00	0.00	0.40	3
10	Assam Spun Silk Mills Ltd.	Industries & Commerce	31-03-1960	1.70	0.00	0.00	1.70	3.79	0.00	0.20	3.99	5.69	-
11	Assam Polytex Ltd.	Industries & Commerce	29-05-1982	0.00	0.00	5.26	5.26	0.00	0.00	0.00	0.00	5.26	-
12	Assam Syntex Ltd.	Industries & Commerce	04-01-1985	0.00	0.00	5.12	5.12	0.00	0.00	0.00	0.00	5.12	2
13	Assam State Weaving and Manufacturing Company Ltd.	Industries & Commerce	29-11-1988	0.00	0.00	8.20	8.20	0.00	0.00	0.00	0.00	8.20	2
14	Assam and Meghalaya Mineral Development Corporation Ltd.	Mines and Mineral	08-10-1964	0.20	0.00	0.03	0.23	0.00	0.00	0.00	0.00	0.23	-

Sl. No.	Name of SPSE	Name of Department	Month and year of incorporation	Equity[128] at close of the year 2022-23				Long term loans outstanding at close of the year 2022-23				Total investment (equity and loans) as on 31 March 2023	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
15	Cachar Sugar Mills Ltd.	Industries & Commerce	30-03-1972	0.00	0.00	3.38	3.38	0.00	0.00	0.70	0.70	4.08	-
16	Fertichem Ltd.	Industries & Commerce	29-03-1974	0.00	0.00	0.43	0.43	0.00	0.00	0.00	0.00	0.43	2
Sector wise total				**19.21**	**0.00**	**25.16**	**44.37**	**13.42**	**0.00**	**0.90**	**14.32**	**58.69**	**20**
Total (D)				**44.30**	**0.00**	**26.16**	**70.46**	**20.18**	**0.00**	**1.48**	**21.66**	**92.12**	**28**
Grand Total (A+B+C+D)				**10,740.51**	**24.45**	**713.58**	**11,478.54**	**1,126.35**	**0.00**	**1,739.85**	**2,866.20**	**14,344.74**	**37,081**

Appendix 3

Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest financial statements/accounts as on 30 September 2023

(Reference: Paragraph 1.1.9.1, 1.1.9.2, 1.1.10.1, 1.1.11.2, 1.1.11.3 and 1.1.13)

(Figures in columns 5 to 13 are ₹ in crore)

Sl. No.	Name of SPSE	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus[130]	Long term loan outstanding[131]	Net worth[132]	Capital employed[133]
1	2	3	4	5	6	7	8	9	10	11	12	13
A. Power sector SPSEs												
1	Assam Power Generation Corporation Ltd.	2022-23	2023-24	152.93	92.21	1111.08	2428.71	0.00	200.49	389.67	2629.20	3018.87
2	Assam Electricity Grid Corporation Ltd.	2022-23	2023-24	42.01	41.13	442.26	2693.39	-323.60	0.00	12.40	2369.79	2382.19
3	Assam Power Distribution Company Ltd.	2021-22	2022-23	389.25	336.35	6436.34	4736.14	-914.86	18.54	406.49	3839.82	4246.31
Total A (Sector wise)				**584.19**	**469.69**	**7,989.68**	**9,858.24**	**-1,238.46**	**219.03**	**808.56**	**8,838.81**	**9,647.37**
B. Non-Power sector SPSEs (Working)												
AGRICULTURE & ALLIED												
4	Assam Seeds Corporation Ltd.	2018-19	2023-24	-0.22	-0.22	83.97	1.46	-10.28	0.00	7.19	-8.82	-1.63
5	Assam Fisheries Development Corporation Ltd.	2020-21	2022-23	-3.91	-3.91	9.98	0.49	0.00	25.63	0.00	26.12	26.12
6	Assam Livestock and Poultry Corporation Ltd.	2017-18	2020-21	-0.36	-0.36	0.28	2.19	-1.13	0.00	0.00	1.06	1.06
7	Assam Tea Corporation Ltd.	2014-15	2021-22	43.01	39.72	43.01	27.54	-284.03	0.00	110.27	-256.49	-146.22
8	Assam Plantation Crop Development Corporation Ltd.[134]	2013-14	2016-17	-0.16	-0.16	1.99	5.00	-13.71	0.00	9.69	-8.71	0.98
9	Assam Food & Civil Supplies Corporation Limited	2020-21	2023-24	6.41	4.63	72.60	12.19	0.00	3.91	0.00	16.10	16.10

Sl. No.	Name of SPSE	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus[130]	Long term loan outstanding[131]	Net worth[132]	Capital employed[133]
1	2	3	4	5	6	7	8	9	10	11	12	13
Sector wise total				**44.77**	**39.70**	**211.83**	**48.87**	**-309.15**	**29.54**	**127.15**	**-230.74**	**-103.59**
FINANCE												
10	Assam Plains Tribes Development Corporation Ltd.	2020-21	2022-23	0.73	0.15	0.02	2.95	-44.23	2.35	14.61	-38.93	-24.32
11	Assam State Development Corporation for Other Backward Classes Ltd.	2021-22	2022-23	0.63	0.63	0.12	3.40	-18.20	0.00	0.00	-14.80	-14.80
12	Assam Minorities Development and Finance Corporation Ltd.	1997-98	2016-17	0.01	0.01	0.00	0.01	0.00	0.01	0.00	0.02	0.02
13	Assam State Development Corporation for Scheduled Castes Ltd.	2017-18	2022-23	-0.34	-1.68	0.00	10.10	-34.07	0.00	0.49	-23.97	-23.48
14	Assam State Film (Finance & Development) Corporation Ltd.	2015-16	2020-21	-0.47	-0.47	0.03	0.10	-0.29	0.00	0.15	-0.19	-0.04
Sector wise total				**0.56**	**-1.36**	**0.17**	**16.56**	**-96.79**	**2.36**	**15.25**	**-77.87**	**-62.62**
INFRASTRUCTURE												
15	Assam Hills Small Industries Development Corporation Ltd.	2006-07	2023-24	-0.71	-0.71	0.00	2.00	-12.38	0.00	13.50	-10.38	3.12
16	Assam Industrial Development Corporation Ltd.	2020-21	2022-23	2.51	-0.61	8.99	139.21	-85.94	0.00	86.35	53.27	139.62
17	Assam Small Industries Development Corporation Ltd.	2014-15	2017-18	-3.11	-3.11	44.86	6.67	-17.63	0.00	5.19	-10.96	-5.77
18	Assam Electronics Development Corporation Ltd.	2017-18	2022-23	2.35	2.05	0.40	9.46	0.00	13.64	0.00	23.10	23.10
19	Assam Mineral Development Corporation Ltd.	2020-21	2023-24	22.04	15.33	72.25	4.89	0.00	100.22	0.00	105.11	105.11

Sl. No.	Name of SPSE	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus[130]	Long term loan outstanding[131]	Net worth[132]	Capital employed[133]
1	2	3	4	5	6	7	8	9	10	11	12	13
20	Assam Police Housing Corporation Ltd.	2015-16	2020-21	-2.54	-2.54	2.91	0.04	0.00	9.88	0.00	9.92	9.92
21	Assam Trade Promotion Organisation	2021-22	2022-23	2.66	2.49	0.26	10.00	0.00	7.05	0.00	17.05	17.05
Sector wise total				**23.20**	**12.90**	**129.67**	**172.27**	**-115.95**	**130.79**	**105.04**	**187.11**	**292.15**
MANUFACTURING												
22	Assam Petro-Chemicals Ltd.	2022-23	2023-24	-69.00	-67.36	104.06	620.02	-74.96	33.09	924.65	578.15	1502.80
23	Ashok Paper Mill (Assam) Ltd.	2018-19	2020-21	0.66	0.39	0.00	0.01	-99.43	0.00	1.72	-99.42	-97.70
24	Assam Hydro-Carbon and Energy Company Ltd.	2022-23	2023-24	2.71	1.90	0.00	61.00	0.00	18.99	0.00	79.99	79.99
25	Amtron Informatics (India) Ltd.	2017-18	2022-23	-0.11	-0.11	0.00	0.01	-4.34	0.00	0.00	-4.33	-4.33
26	Assam State Fertilizers and Chemicals Ltd.	2011-12	2021-22	-0.19	-0.20	1.98	4.93	-7.28	0.00	9.32	-2.35	6.97
Sector wise total				**-65.93**	**-65.38**	**106.04**	**685.97**	**-186.01**	**52.08**	**935.69**	**552.04**	**1,487.73**
SERVICES												
27	Assam Tourism Development Corporation Ltd.	2020-21	2022-23	1.49	0.92	3.60	0.39	0.00	21.40	0.00	21.79	21.79
28	Assam Medical Services Corporation Limited	2021-22	2023-24	-0.21	-0.22	0.00	5.50	-0.41	0.00	0.00	5.09	5.09
Sector wise total				**1.28**	**0.70**	**3.60**	**5.89**	**-0.41**	**21.40**	**0.00**	**26.88**	**26.88**
MISCELLANEOUS												
29	Assam Government Marketing Corporation Ltd.	2018-19	2022-23	0.26	0.22	20.40	4.36	-17.50	0.00	1.88	-13.14	-11.26
30	Assam State Textbook Production and Publication Corporation Ltd.	1995-96	2019-20	2.85	1.95	13.41	1.00	0.00	3.59	0.00	4.59	4.59

Sl. No.	Name of SPSE	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus[130]	Long term loan outstanding[131]	Net worth[132]	Capital employed[133]
1	2	3	4	5	6	7	8	9	10	11	12	13
31	Assam Gas Company Ltd.	2022-23	2023-24	8.06	2.75	655.66	16.91	0.00	911.92	41.27	928.83	970.10
32	DNP Ltd.	2022-23	2023-24	53.46	49.21	92.32	167.25	0.00	194.39	25.00	361.64	386.64
33	Purba Bharti Gas Private Limited	2022-23	2023-24	-2.94	-3.24	1.91	121.91	-2.84	0.00	0.00	119.07	119.07
Sector wise total				**61.69**	**50.89**	**783.70**	**311.43**	**-20.34**	**1,109.90**	**68.15**	**1,400.99**	**1,469.14**
Total (B)				**65.57**	**37.45**	**1,235.01**	**1240.99**	**-728.65**	**1346.07**	**1,251.28**	**1,858.41**	**3,109.69**
Total (A+B)				**649.76**	**507.14**	**9,224.69**	**11,099.23**	**-1,967.11**	**1,565.10**	**2,059.84**	**10,697.22**	**12,757.06**
C. Statutory Corporations												
FINANCE												
1	Assam Financial Corporation	2021-22	2022-23	-0.93	-3.94	6.24	32.40	-30.09	0.00	34.75	2.31	37.06
Sector wise total				**-0.93**	**-3.94**	**6.24**	**32.40**	**-30.09**	**0.00**	**34.75**	**2.31**	**37.06**
SERVICES												
2	Assam State Transport Corporation	2021-22	2023-24	-105.10	-106.53	70.45	167.73	-1664.06	0.00	16.56	-1496.33	-1479.77
3	Assam State Warehousing Corporation	2019-20	2022-23	0.70	0.10	14.60	13.47	-10.39	0.00	4.25	3.08	7.33
Sector wise total				**-104.40**	**-106.43**	**85.05**	**181.20**	**-1,674.45**	**0.00**	**20.81**	**-1,493.25**	**-1,472.44**
Total (C)				**-105.33**	**-110.37**	**91.29**	**213.60**	**-1,704.54**	**0.00**	**55.56**	**-1,490.94**	**-1,435.38**
Grand Total (A + B + C)				**544.43**	**396.77**	**9,315.98**	**11,312.83**	**-3,671.65**	**1,565.10**	**2,115.40**	**9,206.28**	**11,321.68**
D. Non-working SPSEs												
1	Assam Agro-Industries Development Corporation Ltd.	2009-10	2017-18	-0.07	-0.45	0.00	2.20	-22.56	0.00	7.26	-20.36	-13.10
2	Assam State Minor Irrigation Development Corporation Ltd.	2011-12	2013-14	-0.02	-0.02	0.00	17.35	-63.76	0.00	45.65	-46.41	-0.76
3	Assam Power Loom Development Corporation Ltd.	1993-94	2001-02	0.00	0.00	0.00	1.47	0.00	0.00	0.00	1.47	1.47
4	Assam Government Construction Corporation Ltd.	2021-22	2022-23	-0.15	-0.15	0.00	2.00	-10.70	0.00	0.00	-8.70	-8.70

Sl. No.	Name of SPSE	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus[130]	Long term loan outstanding[131]	Net worth[132]	Capital employed[133]
1	2	3	4	5	6	7	8	9	10	11	12	13
5	Assam Conductors and Tubes Ltd.	2014-15	2017-18	-2.01	-2.01	0.00	1.54	-8.20	0.00	4.68	-6.66	-1.98
6	Assam State Textiles Corporation Ltd.	2021-22	2022-23	-0.12	-0.12	0.00	15.44	-37.01	0.00	6.38	-21.57	-15.19
7	Pragjyotish Fertilizers and Chemicals Ltd.	2015-16	2021-22	0.00	0.00	0.00	2.33	0.00	0.00	0.35	2.33	2.68
8	Assam Tanneries Ltd.	1982-83	1983-84	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.02	0.02
9	Industrial Papers (Assam) Ltd.	2010-11	2022-23	0.00	0.00	0.00	0.40	0.00	0.00	0.00	0.40	0.40
10	Assam Spun Silk Mills Ltd.	2013-14	2015-16	5.16	4.63	0.00	1.70	-23.65	0.00	3.99	-21.95	-17.96
11	Assam Polytex Ltd.	1987-88	1993-94	0.00	0.00	0.00	5.26	0.00	0.00	6.30	5.26	11.56
12	Assam Syntex Ltd.	2019-20	2022-23	0.13	0.11	0.00	5.12	-58.91	0.00	0.00	-53.79	-53.79
13	Assam State Weaving and Manufacturing Company Ltd.	2019-20	2022-23	-0.67	-0.67	0.00	8.20	-26.59	0.00	0.00	-18.39	-18.39
14	Assam and Meghalaya Mineral Development Corporation Ltd.	1983-84	1984-85	-0.01	-0.01	0.00	0.23	-0.09	0.00	0.00	0.14	0.14
15	Cachar Sugar Mills Ltd.	2016-17	2022-23	-0.01	-0.01	0.00	3.38	-7.32	0.00	0.70	-3.94	-3.24
16	Fertichem Ltd.	2021-22	2022-23	-0.07	-0.07	0.00	0.43	-22.27	0.00	0.00	-21.84	-21.84
Total (D)				**2.16**	**1.23**	**0.00**	**67.07**	**-281.06**	**0.00**	**75.31**	**-213.99**	**-138.68**
Grand Total (A+B+C+D)				**546.59**	**398.00**	**9,315.98**	**11,379.90**	**-3,952.71**	**1,565.10**	**2,190.71**	**8,992.29**	**11,183.00**

130 Free Reserve & Surplus does include accumulated profit at the end of the respective year.

131 Long term loan outstanding also includes 'Current portion of Long Term Debts'.

132 Net worth means Paid up Capital (Equity) *plus* Free Reserves and Surplus *minus* Accumulated losses *minus* Deferred Revenue Expenditure.

133 Capital Employed represents Shareholders' Fund (Net worth) plus Long Term Borrowings.

134 Assam Plantation Crop Development Corporation Limited finalised its accounts till 1990-91. Thereafter, it had finalised two years' accounts (2012-13 and 2013-14) with an undertaking that the arrears of accounts (1991-92 to 2011-12) would be finalised within five years.

Appendix 4
Statement showing Rate of Real Return on Government Investment
(Reference: Paragraph 1.1.13)

(₹ in crore)

Year	Present value of total investment at the beginning of the year	Equity infused by the State Government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/ subsidies given by the State government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/profit after tax (PAT) for the year
A	B	C	D	E	F	G	H	I	J	K= I x (1+J/100)	L= I x J/100	M
1998-99	0.00	379.46	-	-	0.62	-	380.08	380.08	9.08	414.59	34.51	-35.02
1999-2000	414.59	2.11	-	-	0.73	-	2.84	417.43	14.91	479.67	62.24	-27.82
2000-01	479.67	2.87	-	-	0.01	-	2.88	482.55	11.72	539.11	56.55	-36.41
2001-02	539.11	10.82	-	-	0.36	-	11.18	550.29	12.47	618.91	68.62	-24.36
2002-03	618.91	0.54	-	-	0.48	-	1.02	619.93	9.82	680.80	60.88	-31.82
2003-04	680.80	0.42	--	--	13.26	--	13.68	694.48	9.97	763.72	69.24	-17.17
2004-05	763.72	0.35	-	-	15.13	-	15.48	779.20	8.47	845.20	66.00	0.13
2005-06	845.20	718.96	-	-	9.30	-	728.26	1,573.46	8.18	1702.17	128.71	-10.47
2006-07	1702.17	0.52	-	-	24.46	-	24.98	1,727.15	7.66	1859.45	132.30	-10.28
2007-08	1859.45	22.06	--	--	16.08	--	38.14	1,897.59	7.14	2033.08	135.49	-113.27
2008-09	2033.08	5.71	-	-	13.75	-	19.46	2,052.54	6.76	2191.29	138.75	-154.55
2009-10	2191.29	6.04	-	-	32.12	-	38.16	2,229.45	6.83	2381.72	152.27	-79.01
2010-11	2381.72	89.01	--	--	288.11	--	377.12	2,758.84	6.58	2940.37	181.53	12.32
2011-12	2940.37	52.88	-	-	194.41	-	247.29	3,187.66	6.78	3403.79	216.12	-588.15
2012-13	3403.79	0.20	-	-	194.95	-	195.15	3,598.94	6.57	3835.39	236.45	-470.25
2013-14	3835.39	1.46	-	-	210.52	-	211.98	4,047.37	6.53	4311.66	264.29	-266.21
2014-15	4311.66	0.00	--	--	340.60	--	340.60	4,652.26	6.40	4950.00	297.74	-700.64

Year	Present value of total investment at the beginning of the year	Equity infused by the State Government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/ subsidies given by the State government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/profit after tax (PAT) for the year
A	B	C	D	E	F	G	H	I	J	K= I x (1+J/100)	L= I x J/100	M
2015-16	4950.00	0.00	-	-	377.56	-	377.56	5,327.56	6.47	5672.26	344.69	-662.05
2016-17	5672.26	0.00	-	-	443.11	-	443.11	6,115.37	7.14	6552.00	436.64	-280.30
2017-18	6552.00	111.20	-	-	1,027.25	-	1,138.45	7,690.45	6.87	8218.79	528.33	369.11
2018-19	8218.79	72.44	-	-	971.93	-	1,044.37	9,263.16	7.07	9918.06	654.91	169.09
2019-20	9918.06	303.13	-	-	830.42	-	1,133.55	11,051.61	6.74	11796.49	744.88	-127.36
2020-21	11796.49	0.00			1,115.75		1,115.75	12,912.24	6.51	13752.83	840.59	86.47
2021-22	13752.83	6,303.08			1,056.80		7,359.88	21,112.73	6.46	22,476.61	1,363.88	167.94
2022-23	22476.61	2,657.25	-	-	814.85	-	3,472.10	25,948.71	6.16	**27,547.15**	1598.44	398.00
TOTAL		**10,740.51**	**-**	**-**	**7992.56**	**-**	**18,733.07**					

Year	Total earnings/ loss in 2022-23	Investment by the State Government as per total of the column H above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2022-23	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
2022-23	398.00	18,733.07	2.12	27,547.15	1.44

Appendix 5
Statement showing the Service-wise completion of application request
(***Reference: Paragraph 2.9.3.2***)

Sl. No.	Name of Service	Total Number of certificates issued	Number of Certificate issued within time limit	Number of Certificates issued beyond time limit	Stipulated time for delivering service	Delay
1	Caste Certificate	11,85,112	5,53,455	6,31,657	30 days	1 day to 1635 days
2	Non Creamy Layer	1,76,423	1,35,396	41,027	30 days	1 day to 1237 days
3	Permanent Resident Certificate	4,07,356	71,903	3,35,453	14 days	1 day to 1543 days
4	Next of Kin Certificate	1,54,927	90,466	64,461	30 days	1 day to 1753 days
5	Permission of delayed birth certificate	5,82,941	1,90,631	3,92,310	7 days	1 day to 1535 days
6	Permission of delayed death certificate	91,674	28,809	62,865	7 days	1 day to 1186 days
7	Senior Citizen	38,342	25,227	13,115	15 days	1 day to 1562 days
8	Bakijai	63,285	58,400	4,885	15 days	1 day to 579 days
9	Certified Copy of electoral rolls	4,53,149	84,921	3,68,228	2 days	1 day to 1696 days
10	Information under RTI	2,417	157	2,260	30 days	1 day to 1192 days
11	Application for Special Events	2,792	2,501	291	15 days	1 day to 758 days
12	Permission for fairs/rally etc	21,143	20,078	1,065	15 days	1 day to 190 days
13	Renewal of explosive License	73	69	4	30 days	12 day to 26 days
14	Stamp Vendor License	106	21	85	15 days	1 day to 833 days
15	Income Certificate	16,62,260	13,19,904	3,42,356	10 days	1 day to 1651 days
16	Non-incumbence Certificate	25,213	22,742	2,471	15 days	1 day to 229 days
17	Application for First Appeal	152	7	145	45 days	34 day to 1655 days
Total		**48,67,365**	**26,04,687**	**22,62,678**		**1 day to 1,753 days**
Percentage of total certificates (%)			**53.51**	**46.49**		